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## NEWS SUMMARY

**STERLING falls 1.35 cents: Gilts up**  
STERLING fell 1.35 cents to \$1.7890 after a fall of nearly 2 cents earlier in the day. Selling from the Continent was absorbed but pressure developed after several sizeable orders in New York. Weighted depression widened to 38.4 per cent. (18). Dollar rose to 2.10 per cent. (2.14).  
Back Page

**ack hostage y be dead**  
Sources in Washington are quoted as saying that Mrs. Bloch, the Anglo-Airbus hijacked to is, may be dead. They said Mrs. Bloch was being dragged screaming a hospital in Kampala. Mrs. Bloch is trying to be prevented from flying in devastated area. Page 3

**E fails**  
Schools Council voted over-whelmingly yesterday for a new top school-leaving exam in and Wales to replace the CSE. By 37 to 6 with abstentions, the governors intended a Certificate of Education to be operational from 1980. The move was approved by the Ministerial approval. Page 9

**atic debut**  
The debut by Mike Selvey (Middlesex) (441) who took wickets in his first 20 overs, helped England to a start in the Third Test in Trinidad on a suspect pitch. But Greenidge (134) and West Indies to 211 before and lost two for 37 by the Page 9

**een's welcome**  
icans are giving the Queen overwhelming welcome on her visit. The New York Times said her Philadelphia arrival at the top of the front and TV ran a four-hour secular. Back Page

**3,000 Mercedes**  
price of \$18,000 was paid Christie's Beaulieu auction for a Mercedes. It will go into a collection. Page 2

**to quit**  
John Stonehouse told his Bailly trial yesterday that could resign as an MP what the outcome. He was in sixth day of his defence ment on 21 charges. Page 9

**ople and Places**  
ro Saccucci, 33, Italian next MP held in London since 13 on an extradition war- ranted with a fatal- ity of a young Communist, freed yesterday when the not was withdrawn. Page 9

**ies**  
Bessie Brackley of Dover, Essex, received £200, in a rve's will yesterday in- ks for her "ever-ready" jumping commentator an Williams was fined £25 ondon yesterday for crossing traffic lights in his car. e in London and neighbour- countries were alerted after vice sergeant said he had the missing Lord Lucan Page 24 and Lex ckfield, Sussex. Page 3

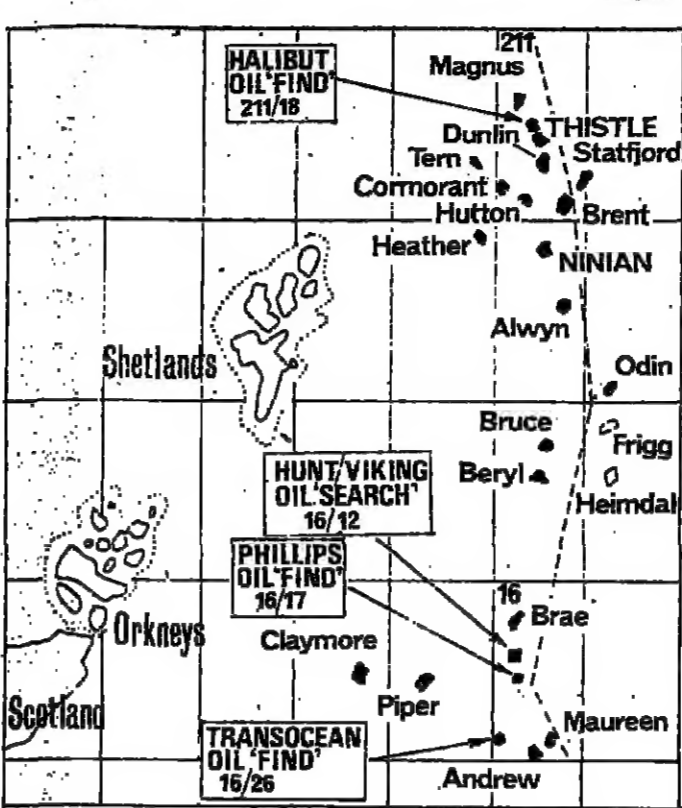
**IEF PRICE CHANGES YESTERDAY**

ces in pence unless otherwise indicated	
<b>RISES</b>	
Intl.	97 + 6
oley Hambro	133 + 6
Peacock	251 + 31
and Eason	471 + 131
am Miller	32 + 4
yn (J.)	101 + 4
transa	112 + 8
Portland Esta	244 + 8
ese King	163 + 3
amerson	473 + 1
Wahart	86 + 4
etts Cyp	173 + 15
y Prop.	162 + 7
cinemas	115 + 50
d Secs.	188 + 3
Land	581 + 3
Refrigeration	74 + 6
nnual Prop. "A"	361 + 34
onside Inv.	39 + 2
<b>FALLS</b>	
Stock Conversion	179 + 4
Sunley (B.)	115 + 7
Taylor Woodrow	250 + 4
Thomson	288 + 6
Waddington (J.)	110 + 6
Wades Dept. "A"	30 + 6
Oil Exploration	31 + 6
Shag Transport	428 + 4
Tricostrol	60 + 3
Boulevardville	153 + 6
de Beers Ltd.	230 + 12
Geevor	260 + 15
Hampstead	111 + 1
Handfield	518 + 1
Tangierita Cones	162 + 7
Union Plat.	182 + 4
Derna "A"	206 - 2
Klimphor	51 - 6
Lonrho	77 - 5
Weekly Nat. Resources	45 - 2
Palabora	634 - 30

## Major oil and gas find in North Sea

BY RAY DAFTER, ENERGY CORRESPONDENT

THREE NEW discoveries have been made in the North Sea, one of which, at least, indicates a major accumulation of crude oil and associated gas.  
Burmah Oil, as operator for the Halibut exploration group, announced a newly-defined field just seven miles north of the commercial Thistle Field. To the south, in quadrant 16, the Transocean group has made an interesting discovery while near the Phillips find and South of the Brae Field. Drilling operations by the Phillips group has found oil on a structure linked with the important Brae Field. This may well prove to be the most significant find of the three.  
The Brae Field is already recognised as one of the biggest in the North Sea with reserves of more than 1bn. barrels of oil and two to three trillion cubic feet of gas. Now the Phillips Group has discovered oil on the same basic environment feature, more than 20 miles to the south.  
Details of the discovery, made with the Ocean Rover semi-submersible rig on block 16/17, have not been announced but it is thought that the producing pay-zone is well over 800 feet deep. Significantly, the well encountered almost identical geological conditions as the third well in Pan Ocean's Brae Field, in block 16/7.  
Detailed testing of the well is expected to take several more days, but the discovery is being hailed by Phillips as a "game-changer" by one leading analyst to contain at least 600m. to 800m. barrels. Further drilling will be needed to delineate the structure and to confirm the commercial attractiveness of the reservoir.  
It is anticipated that the group, comprising Phillips, Petrofina, Agip, Century Power and Light, and Oil Exploration will announce a follow-up drilling programme.  
The Hunt International/Viking Oil group is currently drilling on the same feature in block 16/12, immediately North of the Phillips find and South of the Brae Field. Drilling operations started on June 9 and should be nearing completion later this month.  
The Board of Viking Oil has told shareholders that conditions on its block could be similar to those encountered around the third well on the Brae Field although it has added the necessary caveat: "It must be stressed to the utmost that there can be no certainty of this."  
What the Phillips and Hunt/Viking groups are anxious to establish is whether or not the Brae Field is a self-contained entity, contained in block 16/7, or an elongated reservoir stretching across three blocks.  
If the latter proves to be the case, it will emerge as the biggest field in the U.K. sector: a long, narrow reservoir stretching some 30 miles and containing more than 2bn. barrels of oil. In the other hand, the feature— in essence, a sediment of oil-bearing sand trapped on the slope of a sunken cliff—may well be "pinched" in parts of its structure. This would lead to a series of separate fields.  
In either case the discoveries are likely to warrant a commercial development programme, probably involving the construction of a new pipeline. The system could also tap other finds in the vicinity, the Phillips Groups Andrew and Maureen Fields in the south of quadrant 16, for instance.



Adjacent to the Andrew Field, on block 16/26, the Transocean Consortium has made what is believed to be an interesting oil discovery in its first obligatory exploration well. Again details are likely to warrant a commercial development programme, probably involving the construction of a new pipeline. The system could also tap other finds in the vicinity, the Phillips Groups Andrew and Maureen Fields in the south of quadrant 16, for instance.

## Concessions on taxing company cars announced by Government

BY RICHARD EVANS, LOBBY EDITOR

SUBSTANTIAL concessions on taxing of company cars for private use after representations from the U.K. motor industry were announced last night by the Government in amendments tabled to the Finance Bill.  
The principle proposed in the Budget—that the use of company cars would be taxed on a sliding scale—according to cubic capacity of cars—will be retained, but the categories have been widened and the amount added to taxable earnings lowered substantially.  
Direct comparisons with the Budget proposals are difficult because of the different categories introduced. But under the original proposal a director or an employee earning over £5,000 a year using a company car costing under £5,000 and with a cubic capacity of more than 1,800 c.c. would have had a nominal £750 added to his income for tax purposes. This has been reduced to £350.  
Someone using a car costing more than £10,000 would have had £1,800 added to his income. This has been reduced to £900.  
The concessions, tabled for debate during the report stage of the Finance Bill on three days next week, follow detailed consultations with motor manufacturers and other organisations who were anxious about the effects the original proposals would have on the U.K. industry.  
**Main fear**  
The main fear was that the scale of taxation would have a particularly damaging impact on higher-priced executive cars and in consequence, companies would trade down to smaller cars, many of which are imported.  
British Leyland claimed that its cars, particularly Jaguar, Triumph and Rover, would have been badly hit.  
But, although the amount of taxable earnings added for the use of company cars has been lowered, it will come into full operation earlier than proposed in the Finance Bill. New scales will apply for 1977-78 and subsequent years—and there will not now be a charge of one-half of the scale figures for 1977-78.  
However, when an employer certifies that in any tax year his employee has driven 25,000 miles or more on business travel, the tax will be based on one-half of the appropriate scale. This will clearly be of particular benefit to commercial travellers.  
In general, the new proposals are expected to yield about one-third less than the £335m. estimated in the Chancellor's Budget speech, but substantially more than the present system of apportioning tax between business and personal use.  
Treasury and Inland Revenue officials believe that motorists who pay tax now on the use of their cars will not pay any more under the new proposals, whereas those who have not paid tax in the past for various reasons will be brought into the net.  
Revised scales and amounts are:  
● Cars costing £5,000 or less and having a cylinder capacity of up to 1,300 c.c. will have taxable benefits of £175; 1,301 c.c. up to 1,800 c.c. will have £225; 1,801 c.c. or more will have £350.  
● Cars costing more than £5,000 but less than £10,000 will have taxable benefits of £500 and cars costing £10,000 or more will have taxable benefits of £900.  
● Cars which are more than four years old will be assessed at two-thirds the above figures.

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## CBI will seek £200m. more relief under Price Code

BY ELMOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE CONFEDERATION of British Industry is to ask the Government for at least another £200m. relief under the Price Code.  
This is on top of the package of changes unveiled last week, which the Government estimated would add £800m. to company profits and £1bn. to retail prices. But the CBI estimate it will have a less dramatic effect on corporate profitability.  
In view of the lengthy discussions which have already taken place over revisions of the Price Code, however, it seems unlikely that relief of this magnitude will be given. But the CBI clearly regards the issue as a crucial test of the Government's willingness to implement the spirit of accord expressed at Wednesday's meeting of NEDC.  
At a meeting next Wednesday, the CBI will ask Mrs. Shirley Williams, Secretary for Prices, to amend the code to allow companies to retain some of the benefits at least another year of labour during a period of rising output.  
The confederation, which had three months of discussions with the Department of Prices before publication of last week's consultative document has, however, given up the hope of persuading the Government to accept two of the changes to the code which it regarded as most important.  
There is now a reluctant recognition of the fact that the investment relief scheme will not be extended to cover working capital and that the way companies calculate individual price rises will not be changed to allow input costing on labour.  
Instead, the confederation is to ask Mrs. Williams to allow companies to disregard a proportion of any volume increase when arriving at the unit cost of labour in a price increase.  
This proposal, the CBI feels, has a chance of succeeding as it is an extension of a change already proposed by the Government as a way of removing the present disincentive to increasing sales in the code.  
In the consultative document, the Government proposed that companies should be permitted to disregard half of any growth in sales when calculating changes in fixed costs, like rents and rates. The CBI argues that, in most businesses, labour accounts for a substantial proportion of fixed costs and for this reason it would be logical to calculate the change in fixed labour costs on the same basis as other fixed overheads.  
Such a move, the confederation estimates, would add about £200m. to the value of the changes already proposed by the Government.

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## British Steel expansion cost soars

BY ROY HODSON

THE GOVERNMENT is about to acknowledge that the true cost of modernising and expanding the British Steel Corporation to Wales, Teesside and Port Talbot, South Wales, should be one of Britain and provide a sound base for an export trade is going to be at least £5bn. and perhaps as much as £7bn.  
The last White Paper on the subject in 1973 estimated that a £3bn. investment would be necessary. But inflation and slow progress with the building of steel plants have combined to render that estimate obsolete.  
Mr. Eric Varley, Industry Secretary, is expected to reveal to Parliament later this month detailed strategy for development of public sector steelmaking which accounts for more than four-fifths of Britain's production.  
investment will be put into the two coastal works at Redcar, on Teesside, and Port Talbot, South Wales. The intention is that Teesside should become one of Europe's largest steelmaking centres with an annual output of 12m. tonnes and that Port Talbot should play a more important role in making flat products with capacity going up from 3m. tonnes to 6m. tonnes a year. The two developments originally were priced in 1973 at about £1bn. each. The new estimates are likely to be more than double.  
The working party on iron and steel has taken the view that investment in a new hot-strip mill should go ahead in order that the corporation can meet customers' needs. The Government and the corporation believe that major expansion at Port Talbot would be just as effective as building an entirely new mill.  
However, there are fears that Mr. Varley will have to adopt a watered-down strategy for political reasons.

**Shortage**  
It has not been lost upon members of the Cabinet that one of the most widespread fears expressed by key sectors of British industry reporting to this week's meeting of Government and industry at the National Economic Development Council was that steel shortages might hold up industrial recovery. Labour problems, coupled with technical difficulties at major steel plants have caused serious supply difficulties during the last two years. At present, technical problems are contributing to a shortage of cold-reduced steel sheet for car bodies and consumer durables.  
The Government working party looking into the iron and steel industry is concerned that "a failure to achieve smooth implementation of the steel development programme" plus future industrial relations problems could result in a continuing shortage of home-produced steel. The Government will insist upon higher productivity from the workforce—which means a reduction in manning levels at many works to something nearer the levels of other big steel-making nations—in return for the promise of expanded and accelerated capital investment plans.  
Since 1970, annual capital spending on new plant by the corporation has risen relatively slowly from £140m. in 1970-71 to £311m. in 1974-75. The final figure for 1975-76 is expected to be something in excess of £500m. A considerable jump in the annual rate of investment must be sanctioned by the Government if a programme designed to provide Britain with a modern and adequate industry by the 1980s is to be achieved. The lion's share of new capital

**Overmanning**  
Ian Hargreaves writes: The corporation is not likely to achieve the target of reducing its labour force by 40,000 in 1976 and 1977. This emerged yesterday when it met the TUC steel committee to discuss, among other things, progress made in the de-manning agreement signed by both sides in January.  
Although the corporation was able to report satisfaction at the reduction of manpower made surplus because of the recession, it was told by unions that there is no question of tackling the "inbuilt" over-manning and job restructuring referred to in the January agreement until the pay policy permits men to be paid a higher rate for restructured jobs.  
Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, said after the meeting that there was no question of his members accepting job streamlining without cash on the table. Because pay policy would impede wholesale reorganisation up to August, 1977, he did not see the likelihood of progress before then. Under the terms of the January agreement, cuts in annual input over-manning were to have been achieved within a period of not more than two years.  
The signs are, though, that "recession over-manning" has been tackled effectively within the past six months. Editorial comment Page 18

**Memo**  
*Re: Location*  
*155,000 sq ft—*  
*superb office*  
*accommodation*  
*in Basingstoke—*  
*available Spring '77*  
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# Fison

## The Pleasure of His Company

by MICHAEL COVENEY

her (the programme is no was going to take Hitler's emer- that Samuel Taylor's gence as a threat to world free- can comedy, set in a large dgm to shake him off the pursuit overlooking San Fran- of happiness on the Continent Golden Gate in 1938, and the Aegean. from the late '50s. For the time being though, ord Poole ('Pogo' to his Pogo's ex-wife (one of three) can s) turns up for the wed- scowl jealously while he hands of his daughter, Jessica, out a pearl necklace to their de Carroll), to a brave daughter with the same earnest breeder. Roger (Michael) words be once split on her th) who sends his semen Pogo suffers from what was once r the world. "You must charmingly referred to as a ery proud" grins the weakness for women, a fault that air Douglas Fairbanks Jr. does not deter him from flirting ng his daughter means the ex-wife while her cur- stuff, but working the rent husband froths with rage with ely, it not exactly before falling down a flight of stairs. David Langman manages the wide decent as he does most of his dreadful lines, with the sort of expertise you expect evening's agenda. plays of an actor who played the same a tantalizingly with part in the first London produc a sudden pre-marital in- tion, nearly 20 years ago. s, Dinah Sheridan, torn between who, while not exactly the peaceful respectability of a ag of exploits among the new life and the memory of copahat, has at least been siller times with Pogo, does well the right resorts and be- in the sort of carefree, sexual dilemma, while primly onable fashion normally regretting her apprenticeship as ated with that threema "an international spy". The or inter-war lounge comedy contains all in-built s. "So much to see, so much to do" is the progressive time" is Pogo's cry, and it fance, who delivers himself of an

## Alban's EC1

### Giovanni Gabrieli

by MAX LOPPERT

City of London Festival red on Wednesday a new for its concerts: the impos- K. Alban's in a cab and ned corner of Leather Lane, and spacious notably un- of a strain, no doubt, on respassing concertgoer than e worshipper) but just right ze and acoustics for the amine of pieces by the rd Gabrieli offered by the rd Hickox Singers and the no Gabrieli Brass En- le. Mr. Hickox, as his pro- me note made clear, was rmed to temper any po- importations into the music rassy brassiness such as is uraged by the abrasive bril- liance, in the great choral and instrumental motets, of modern brass instruments. With a small band of cornetti and sackbuts, a quintet of baroque strings, and 16 expert choristers (their subordinate choir groupings subseles in- sidently far apart, the sound was generally dulcet; much more so than recently customary in Gabrieli, combining grandeur and gentleness, pomp and humanity in a manner authentically Venetian. Mr. Hickox also favoured moderate tempos, and a careful layering of section upon section. The advantage of this approach was a close concentra- tion on the rich sweetness and melancholy behind much of the



mes Hazeldine, Julie Watson, Marjorie Yates and Philip Joseph in "Small Change" which opened last night at the Royal Court Theatre

## urgtheater, Vienna

### Krejca and Strehler

by HENRY POPKIN

he Vienna Burgtheater, in its centennial festival of directors, accorded Otomar Krejca the extraordinary honour teins asked to direct a classic German literature, the first of Goethe's Faust. Krejca l he remembered as the man he enforced absence at later- loral theatre festivals where was expected caused an inter- loral scandal soon after 1968. few years ago he was "for- en" at home and permitted resume his profession in que; he will spend next year a guest director in Dusseldorf. Krejca's Faust continues a



in Georgiadis, the new leader of a London Symphony Orchestra. Georgiadis was leader of the SO from 1965 to 1972, and since en he has been pursuing a very successful career as a soloist, chamber music player, conductor, nd director, from the violin, of ternese music. He takes up his ow appointment on November 1,

pattern I have been observing in his work for a dozen years. He demonstrates the inter- dependence of human expe- rience by combining or expanding scenes wherever that can be done without grossly violating his text. In his Czech Romeo and Juliet, this pattern took the modest form of showing us joyous preparations for Juliet's marriage to Paris while above, in the scene Shakespeare wrote, Juliet was being discovered apparently dead. In Faust, Krejca is able to use as many as five playing areas at once; at any given moment, the actors are silent in four of them, while only the players of the fifth are actually speaking Goethe's lines. Krejca finds little opportunity for his most characteristic effects in the first section (which ends with Faust's first glimpse of Gretchen), although he has been criticised for giving Mephistopheles three scholars to lead astray instead of one. But he really gets going after the inter- val, adding two new characters, Gretchen's mother and the priest, who speak the lines Mephistopheles attributes to them. With these additions, the play- ing areas can include the church, as well as the home grounds of Faust, Gretchen, and Marthe and a place for Valentin to stroll and fight his fatal duel. By showing these characters and their activities in relation to one another, Krejca is under- scoring an effect Goethe himself intended in his short, quick scenes. He attempts another sort of counterpointing when he makes Marthe and the gossiping Lionchen witnesses to the Wal- purgis Night. Starting at Mephistopheles, Marthe seems to be thinking: "Didn't I have a double date with him just a few scenes ago?" When the drama returns to its main plot to show us performing a frenzied dance of Gretchen's fate, the lavish cele- bration, of Walpurgis Night of York. If war and politics are still visible; and it is worth- while while to show us the empty splendours Faust has just a form of mental illness.

## Cinema

# Dying gasps

by NIGEL ANDREWS

The Missouri Breaks (AA)  
Odeon Leicester Square  
Feelings (X)  
Metropole  
Spy Story (A)  
Plaza  
New British Cinema  
ICA

The twin effect of ageing stars and ever more sophisticated audiences has caused the Western to change almost beyond recognition in recent years. Once upon a time in the West heroes were heroes, or at least valiant rogues, and villains were insinuating men in black suits and sneering ties. Moral cer- titude reigned, and whether the final weapon of heroism was trustful bravado (James Stewart) or tightlipped dignity (Gary Cooper), the audience had no doubt which of two sides it should be shouting for.

The Western has now grown up, and grown out, it seems, of the moral simplicities of a by-gone age. The only way to separate the good from the bad in Arthur Penn's new film *The Missouri Breaks* would be to slice every character down the middle. Jack Nicholson's bearded horse thief monopolises audience sympathy by sole virtue of his having a head start of 30 minutes screen time on co-star Marlon Brando's whiskey Irish hired killer. Neither is discern- ibly more virtuous or heroic than the other. And so scrambled have become the old values of Western chivalry that the female lead (Kathleen Lloyd as a rancher's daughter) is neither an ice-cool heroine nor a dashing tomboy but a petulant nymphomaniac forever draping herself around a grimly unrespon- sive Nicholson.

On this evidence, the down- beat Western is in danger of hardening into just as risible a buckling variety. Penn shoots early parts of the film in the gauzy, wistful style of the family reunion in *Bonnie and Clyde*, but nostalgia melancholy gradually changes to earthy knockabout; and once the main plot is under way (Brando is hired by a wealthy rancher to stamp out Nicholson and his gang; he picks them off one by one until only he and Nicholson are left), the film switches uneasily between the energetic dictates of its pursuit-and-revenge story and the elaborately dishevelled social pan- rama Penn seems determined to build around it. A plethora of scenes designed to show us *The West As It Really Was*. The epitaph for Nicholson's gang, for example, might be "They died with boots off," since one is drowned in a river, one killed while fornicating, one shot while



Jack Nicholson and Marlon Brando in 'The Missouri Breaks'

emerging from a privy. The fourth is winked out from his mountain retreat by a Brando inexplicably dressed in drug, and skewered between the eyes with a part that would be nondescript if it were not for the sluttish sluttish in its rhythms. I hesi- tate to think what the film would be like without the flamboyance of the lead performance. Nicholson brings his elastic drawl and Cheshire cat grin to a part that would be nondescript without them, while Brando turns an underwritten role into a tour de force of stage-Irish comic invention: a wild-haired, gently mumbling fop (Fletcher Christian out of Peter Quint) who spends more time talking to his horses than to his fellow humans and who gets his come-uppance in the single moment of the film. ("You drowned in a river, one killed while fornicating, one shot while

sluttish.") Elsewhere for all its pretty photography and hand- ful of good supporting perform- ances, *The Missouri Breaks* seems to me to do even less for Arthur Penn's currently faltering reputation than his last film, the lugubrious and overrated *Night Moves*. "I feel just like a sperm dis- posal machine," says the heroine of Feelings. And after what she is put through in this film, no one could reasonably blame her. The story concerns a childless wife who wants a baby but whose husband is sterile. Should she adopt a child? Should she try artificial insemination? Should she have sex with another man? The third alternative is plumped for, without too much delay, and scenes of copulation in hospital rooms and bachelor apartments ensue. Thereafter the film teeters along from one kinky subplot to another—a father who wants to go to bed with his own daughter,

ment it needs and that on recent form it has deserved. From next week, the ICA cinema will be operating on Monday, Wed- nesday and Thursday, in addi- tion to its week-end schedule, and the new showings will be devoted to the best in recent independent British film-making. One of the complaints of young directors in this country is that organisations set up to help independent cinema are willing enough to subsidise the making of the films but peculiarly stoch when it comes to promoting and exhibiting them. The ICA's season, therefore, should fill a critical gap in London's exhibi- tion scene. The films showing next week are Juan Bokova's *Millita Battlefield*, a study of three eccentric American enter- tainers working in London; John Sharrad and David Griffith's *War*, set in the Ameri- can Civil War; and a short film by Chris Makja called *Dialogue*.

British independent cinema is at last getting the encourage-

## Florence opera

### Orfeo ed Euridice

by WILLIAM WEAVER

This has been a very austere Maggio musicale, heavily weighted in the direction of 20th-century music: Henze, Dessau, Busotti (and with more ahead). For the less austere music lover some relief has come at last in a recent Orfeo ed Euridice, the major opera presentation of the festival. Gluck's masterpiece, to be sure, is hardly light fare, especially in the original leaner Vienna version adopted here. But after these weeks of con- temporary music it was good to hear a piece that opens squarely in C-major.

The Overture revealed im- mediately some of the merits and defects of the performance. Riccardo Muti—recently named chief conductor in Florence—phases with his accustomed elegance and taste, and the orchestra followed him enthus- iastically. But the intonation—both in the strings and in the winds—was awry. The situation implied to some extent in the second and third acts, but it was clear (and has been clear from previous events of this Maggio) that the orchestra needs some- work. Muti is obviously the person to direct the process of renovation.

His whole view of the score was coherent and noble. He led the singers with evident feeling for the vocal lines, and the dances were conducted with lit- tle grace. Nothing was rushed, nothing lagged. The Vienna version of the opera, Euridice does not have a great deal to sing, but Eleana Cotrubas sang the role so feel- ingly that she made a profound

impression. The Amore of Lella Cuberli was also appealing and apposite. As Orfeo, Julia Hamari sang all the notes and did not- ing wrong, but she seemed over- parted. Here one wants a real, rich contralto, an Alice Raveau in a recent Orfeo ed Euridice. Hamari's voice lacks the weight to sustain dramatically a whole evening; her singing also lacks variety. In grief and in joy this Orfeo sounded much the same. Not a bad sound, by any means, but after a while, it grew dull.

Luca Ronconi's production and Pier Luigi Pizzi's sets and costumes did little to enliven the evening. The basic set was hand- some: a large room walled with black mirrors (Pizzi used this device also for a *Pique-dame* scene in Florence a couple of seasons ago). Carbonised cypresses marked Euridice's grave in Act One and served as the Elysian garden in Act Two. Visually, there was nothing classical about the staging. Euridice and her Blessed Spirit companions wore white evening dresses, vaguely Victorian. Orfeo—not in tuxedo here—wore a black version of the same dress, with her hair long down her back. She had the look of a 19th-century housekeeper; one thought of Mrs. Gross.

Hell, for Ronconi, is an 18th-century brothel (or Bedlam, per- haps), with frizzy-haired Furies in hoop-skirts and body-stockings. It was an arresting sight indeed, all the stage-pictures were in big band playing and jazz movements of singers and chorus (and corps de ballet, which doubled for the chorus on

occasions) were not particularly significant, and at times were distracting, as when—during Euridice's aria—Orfeo examined his reflection in the mirror-walls. In Act Two the dances were minimal: in Act Three they were handsomely choreographed by Geoffrey Cauley. For the finale, two tiers of stage-boxes flanked the central room, presumably to remind us that Gluck's master- piece was originally a court entertainment. True, but it also was—and is—a story with immense power to move. Much of the emotion was deliberately forestalled by the production. Nevertheless, there was much to enjoy in this Orfeo ed Euridice, and the Florentines, who packed the Teatro Comunale, showed their pleasure with repeated, warm ovations.

A child prodigy and friend of

## Book Review

### Pianist and composer

by ELIZABETH FORBES

Alkan Vol. 1: The Enigma by Ronald Smith, Kahn & Averill, £3.00, 114 pages. Charles-Valentin Morhange, the pianist-composer known as Alkan (his father's first name), is the first mystery man of 19th-century French music, and this book, though it contains many new facts on his life, does not solve the central enigma of Alkan's character. As a pianist-composer himself, as well as a notable interpreter of Alkan's works, Ronald Smith may get closer to the heart of his subject in the second volume, which will deal with the music. Here he con- tents himself with recounting the events of Alkan's life, and very odd they prove to be.

Chopin, Alkan virtually gave up his career as virtuoso pianist at the age of 25; during the next decade he wrote a fair amount of music and made a few public appearances. Soon after his failure to obtain the post of Head of the Piano Department at the Paris Conservatoire, he with- drew from public and social life, becoming a total recluse, though he continued to compose. Hav- ing lived through the Siege of Paris—1871 he spent forty-nine days and nights without respite I have

been living in the midst of cannon balls and bullets. All I have is a shutter and a piano with a hole through them"—early in 1873 he announced six concerts at the Salle Erard and after nearly a quarter of a century made a brief and be- lated come-back as a concert pianist.

There is also the mystery of Delaborde, Alkan's pupil who was reputed to be his natural son: Ronald Smith neither proves nor disproves this story. Even the facts of Alkan's death are in dispute: one version has it that he was found crushed heath by a steamroller, the other that he was crushed by a horse from which he had been extricated; another that "he was found stretched out, lifeless in his kitchen in the midst of his stove, which he was probably about to light to cook his evening meal."

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## EUROPEAN NEWS

## Dutch Cabinet may clash with unions

By Michael Van Os

AMSTERDAM, July 8. THE Socialist-dominated Dutch Cabinet appears to be taking its first serious clash with the trade unions, as far as their stance on the extension of the wage freeze for the second half of the year was inevitable in order to give its anti-inflation policy some chance of success.

Industrial observers said today that some form of industrial action could not be ruled out against the move which has been strongly rejected by the trade unions. Last Thursday afternoon, most unions ceased work at the ports of Rotterdam and Amsterdam in protest against possible wage intervention, in which well over 10,000 workers participated.

At a Press briefing in Woerden today, Mr. Wim Kok, president of the FNV, Holland's largest trade union federation by far, said the government measure was "totally unacceptable" and called it an "unforgivable mistake." Although he appreciated that the Government had secured Parliamentary approval for its wage intervention, he added it would cause a break in the relations between the union movement and the Government.

In The Hague, Economics Minister Mr. Ruud Lubbers and Mr. Jaap Boersma, the Minister for Social Affairs, also stated that they had decided to freeze in the second half all public services, excluding public transport, as well as tariffs in the free professions. This comes on top of strict wage controls already in force for the private sector.

The Ministers said the official wages intervention appeared to have been a failure, as the measure was simply not available in view of the already dangerously high budget financing deficit.

The Government's offer amounts to about Fl.40 net a month for the average income which was Fl.33,000 a year, which is more than Fl.10 less than the unions had demanded and some Fl.2 more than the employers had offered.

The basic problem was that the unions, which had already seen their wages frozen in the first half, insisted on the full price compensation of 5 per cent over that period being paid out on July 1.

First the Government refused to pay the full compensation saying that this was necessary for it to be able to keep up social service expenditure, but later tried to meet the unions halfway by temporarily adapting social premiums.

## Inexperience, youth mark new Spanish Cabinet

By Roger Matthews

KING JUAN Carlos today presided over the swearing in of the new Spanish Government, put together after four days of difficult negotiations which brought many more refusals to serve than it did acceptances.

To-morrow morning the King will take the chair at the first formal meeting of the Cabinet, presumably aware that his own future will be closely linked to the performance of the Ministers gathered by his surprise selection as Premier, Sig. Adolfo Suarez.

One of the immediate tasks of the Government will be to seek a solution to the strike by postal workers which to-day spread to virtually all the country's main cities. Earlier this year, the Madrid post office workers were brought under military discipline for striking and the strike committee arrested for disobeying army orders.

Mr. Suarez, having been rejected by all the key reformist ministers of the previous Government, will be anxious not to begin his term of office by resorting to similar tactics and

thereby confirming the opinion of opposition parties that his appointment represents a blow to democratic change.

Reaction to the new Government has been muted by the fact that an important proportion of portfolios have gone to men virtually unknown even within the regime. Even the most assiduous observers of Spanish politics initially found it difficult to describe the political complexion of the Cabinet, but now seem to have agreed that—apart from its relative youth—it is heavily oriented towards the Roman Catholic progressive wing of the former Franco regime, coupled with strong interests from the rather less advanced section of the banking and industrial community.

The absence of men with declared democratic convictions, plus the fact that most ministers have previously been thought of as "second rank," has not helped to assuage doubts that the Government will have real problems in carrying through a programme of reform that will assist the stated aim of moving to-

wards membership of the Common Market.

This feeling has emerged more strongly in the past 24 hours because of the high hopes that were raised by the King's decision to accept the long standing resignation offer of former Prime Minister Carlos Arias. But having raised hopes of a faster push towards democracy the King and his Prime Minister now have to counter a sense of disillusionment and may well decide on some swift liberalising gesture within the next fortnight such as extending the hitherto limited political amnesty.

The youngest of these ministers is 62, while the oldest of the civilian ministers is 53, indicating the generation gap that is one of the real threats to the homogeneity of the Cabinet. Also, the lack of experience of several key ministers, not least the Premier, and the initial problems they will have in becoming known to the general public, suggest a dangerous few months with a high possibility of tactical errors.

## Moro still expected to attend EEC talks

By Dominick J. Coyle

ROME, July 8. ITALY'S caretaker Prime Minister, Sig. Aldo Moro, will "reconfirm" the resignation of his Government to President Giovanni Leone within the next 48 hours. But he is still expected to attend next week's European Council meeting in Brussels, together with Sig. Mariano Rumor, the outgoing Foreign Minister.

The only alternative would be for Italy to go unrepresented at the summit, since there is now no possibility of a new Italian Government being formed before then, while the formal reconfirmation of Sig. Moro's April 30 resignation is a necessary step before the President can name a Prime Minister-designate, following last month's "stalemate" general election.

A similar situation applied to the Italian representation at the Rome-Rumor team may have even more of a "lame duck" appearance in Brussels next week, since there must now be a question-mark over whether either or these politicians will be included in the next Italian Cabinet.

Sig. Moro is seemingly anxious to remain outside the political fray for the moment, while no doubt waiting for an opportunity to return as Prime Minister. On the other hand, still unsubstantiated allegations against Sig. Rumor, linking his name with the Lockheed bribery scandal, could mean his exclusion from the Cabinet office for the time being, or at least from the prestige position of Foreign Minister.

The Moro Government will, in any event, be asked by President Leone this week-end to continue yet again in a caretaker capacity, but the President should be in a position towards the end of next week to nominate a Prime Minister-designate. A number of leading Christian Democrat politicians are already "lobbying" for the job, most noticeably perhaps the former Prime Minister, Sig. Giulio Andreotti.

Sig. Andreotti has expressed belief that the Christian Democrats and the Communists could collaborate on the formation of new legislation, while at the same time, the latest of these was the Communists' proposal for a national conference to discuss the country's economic recovery programme.

## Kreisky aim is European summit

By Paul Lendvai

VIENNA, July 8. INTERNATIONAL problems including the Austrian initiative to convene a summit meeting of the West European chiefs of Government after the U.S. elections are expected to be the main subject of discussion during the two-day visit of West German Chancellor, Herr Helmut Schmidt, who arrived here today.

Chancellor Kreisky suggested some time ago that the leaders of the countries belonging to the Council of Europe together with the U.S. and Canadian leaders should meet before the second stage of the European security conference which is scheduled to be held in Belgrade next year.

The Austrian Chancellor seeks not only to promote closer co-ordination between the West European countries but also to stave off a political isolation of those democratic countries in Europe which do not belong to the EEC.

The timetable for the construction of the Rhine-Meuse-Danube canal is also expected to be discussed. Austro-German relations are excellent and the fact that both countries have, for the past six years, been governed by Socialist Chancellors, tends to them an air of special intimacy.

## £30m. to 17 countries in first round of Lome aid

By Guy de Jonquieres, Common Market Correspondent

BRUSSELS, J

SEVENTEEN of the 46 developing countries covered by the Lome Convention are to receive a total of almost £20m. units of account (about £30m.) in the first round of disbursements to be made out of the EC's recently created Export Earnings Stabilisation Fund (Stabex).

The payments are intended to meet shortfalls on earnings from exports of selected commodities during 1976 and are calculated on the basis of a reference price established for each commodity.

More than half the funds will be given to the very poorest countries, the remainder being lent to countries such as Cameroon, Fiji, Ivory Coast and Niger—those with the heaviest losses.

Since Stabex was inaugurated about three months ago, there have been doubts as to whether the £20m. units of account allocated annually for the fund would be sufficient to compensate for all the losses on the designated commodities suffered by Lome Convention countries during a period of world recession.

Though the 1975 disbursements are more than £3m. units of account below the allocation of account below the allocation

figure, no claim was submitted to the fund by Gabon, a third of whose total exports are made up of tropical woods—an item covered by the fund.

Asked why Gabon had not requested aid for tropical wood exports, M. Claude Cheysson, EEC Commissioner responsible for development policy, said today that he could offer no explanation.

M. Cheysson also disclosed that in the case of claims by four countries—Cameroon, Fiji, Ivory Coast and Niger—the Commission had held discussions with the governments concerned to determine whether export earnings shortfalls were due to cyclical causes or to a shift in trade policy by those countries before agreeing on the amount of the compensation.

He conceded that in instances where developing countries diversify their trade away from the EEC or reference price.

changed the composition of export trade, Stabex m cover the complete share of export earnings. In such cases, the fund would not be available for payments by specified countries were because they did not meet the conditions laid down in the Lome Convention.

M. Cheysson pointed out that Stabex payments represent a proportion of revenue for a given country, but that for 1975 was equivalent to 1 per cent of all revenue from exports of cotton.

Stabex funds are distributed without any strings attached, recipients are required to tell the EEC afterwards how the money was used. In addition, the EEC is envisaged as a fund which should be replenished from development aid.

## French inflation seen rising

By Rupert Cornwell

PARIS, July 8.

STAGNATING investment, rising inflation and a considerable tightening of credit conditions are the main features of the latest assessment of the French economy to be published here by leading forecasting bodies.

This afternoon the National Statistics Institute (INSEE) issued its own updated study on immediate prospects and the one is noticeably more sober than the euphoria to be found before when the recovery was in its most vigorous initial phase.

Inflation this year is now expected by the Institute to top 11 per cent. It warns that the early benefits of higher productivity and fierce foreign competition are being outweighed by the familiar problems of rising wage costs and the need of companies to rebuild battered profit margins.

Less diplomatically, the Independent Economic and Social Council grouping experts from all sectors of French society, has stated bluntly that only if Frenchmen change their attitudes will the economy regain health. Its basic message is that a country cannot continue indefinitely to live beyond its means and settle the bill with inflation.

The recovery itself is expected to move into a lower gear this autumn. In the second quarter industrial output was running 10 per cent higher than 12 months ago, but henceforth the advance is likely to move back close to a long term average. Unemployment—

to-day around 950,000—will probably hold at around that level for the rest of 1976.

The other main concern of both the Institute and the Patronat employers federation lie with the very slow pick-up in capital spending.

INSEE predicts that private sector investment will show at best only a very slight real growth, and it points to the special slackness of the capital goods sector now that the stimulus of last September's Fr.30bn. refation package has worn off.

Matters will not be helped by the tighter credit conditions likely this autumn. At the moment overall bank lending is expanding at an annual pace of 22 per cent and the domestic money supply at 17 per cent.

But most observers expect the lending ceiling introduced recently to bite increasingly days ago.

Other unknowns also complicate the picture. In the first place there is the drought which a senior agriculture official today forecast would cut French cereal harvests to between 20m. and 22m. tonnes, against 36m. in 1975 and over 30m. in 1974. In money terms the lost income will be between Fr. 5m. and 6m.

Given the importance of agriculture to France's foreign trade, this development may have serious repercussions on the balance of payments and thus on the French franc, which many commentators and experts in any case consider overdue for a downward adjustment.

So far however the Government is employing substantial foreign borrowing to prop up the money supply, the latest of these was the \$500m. facility arranged for the EDF electricity utility a few days ago.

## Hope for Irish pay plan

By Giles Merritt

DUBLIN, July 8.

THE LEADERS of the 80 trade unions active in Ireland today interrupted their annual congress in Galway to examine the emergency proposals prepared by the employers' organisations in a bid to rescue the national wage agreement for 1976-77.

The employers plan to award weekly pay increases of £3.00 to £5.00 as an interim measure, while a 1977-78 pay policy is being hammered out between the unions, industry and the Irish Government, was discussed today at a special session of the unions' national executive council.

There are indications that senior trade unionists may be prepared to soften their attitude to pay restraint in spite of last week-end's rejection of the pay agreement.

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## Soames says CAP is not negotiable

By Robin Reeves

LUXEMBOURG, July 8.

"THE EEC's Common Agricultural Policy is not negotiable," Sir Christopher Soames told the European Parliament here today in a debate on the deterioration in Common Market-U.S. trade relations.

In a hard hitting speech, the Brussels Commissioner responsible for external relations warned that attempts to bring the basic framework of the policy within the scope of the general multi-lateral trade negotiations could only lead to failure to achieve the objective to which both the European Community and the U.S. subscribed—namely the development and increase of world trade in the agricultural sector.

"Like other people's agricultural policies, it has its good points and its bad ones. But the simple fact is that it is a policy which reflects the political, social and economic situation of the Community, and as such is not in itself negotiable," he declared.

Sir Christopher came close to accusing the U.S. of failing to distinguish between an external tax on vegetable oils—a trade policy which represented a mere aggregation of domestic agricultural pressure, and one which represented "a coherent all-round view of the delicate balance between domestic and foreign vegetable oil sources."

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## Hungary presses economic reform on Comecon

EAST BERLIN, July 8.

HUNGARY is urging reforms within Comecon to make the Soviet-bloc organisation more flexible and to speed up its decisions.

Prime Minister Gyorgy Lazar told fellow Communist heads of government yesterday that Comecon should improve its decision-making to meet new economic conditions. Mr. Lazar's speech, which became available today, was by Soviet bloc standards a criticism of the nine-nation grouping's performance in several fields.

He said Comecon should take a systematic look at its currency and finance systems with a view to reform. Hungary, which reformed its domestic economy in the 1960s to improve flexibility and reduce centralisation, feels that the Soviet bloc's lack of a convertible currency is a serious drag on trade and co-operation.

Mr. Lazar said Comecon was not moving fast enough towards its stated goal of making the transferable ruble, its unit of account, fully convertible by 1980. Under recent conditions Comecon nations trade largely on a barter basis. A country which builds up a surplus with a neighbour cannot use it to buy more goods elsewhere.

The Hungarian Premier welcomed a call by Soviet leader Alexei Kosygin for Comecon to work out economic targets or "goal programmes" in new sectors for the 1980s—a stage further than the present co-ordination of national plans.

The Comecon countries will wind up their three-day meeting to-morrow by sanctioning a scheme to link up their national power systems. Yugoslav deputy premier Obrosav Cufalic said today his country was keen to take part.

Mr. Lazar singled out food and agriculture as an area where faster progress was urgent. Farming has often been described as the Soviet bloc's Achilles heel.

The Hungarian leader said Comecon countries should work out new ways of stimulating farm production and pool resources to meet massive investment demands for machinery, fertilisers, transport and processing equipment.

He called for new efforts to map out relations with the developing countries in order to ensure new sources of raw materials supply. He also demanded that the Common Market stand towards the "Common Market" as a discriminatory policy, he said.

While the U.S. administration has given certain demonstrable proofs of its continuing attachment to the principles of open international trade — by its recent decisions not to resort to protectionism against shoe and car imports — the question remains whether the machinery of the U.S. Trade Act is capable of yielding such a balanced view consistently and in the long term," he said.

The U.S. threat to impose quota restrictions on specialty steels was a case in point. He hoped that President Ford would not go ahead with the threatened quotas imposition. If he did, it could have an explosive effect, the Community reserved the right to take retaliatory action, he stressed.

To his unveiled embarrassment, Sir Christopher was speaking only 24 hours after the Commission had tabled its proposal for a tax on vegetable oils as part of its plans for curbing production and increasing consumption of dairy products.

Past threats to impose such a tax on vegetable oils — to distinguish between an external tax on vegetable oils — a trade policy which represented a mere aggregation of domestic agricultural pressure, and one which represented "a coherent all-round view of the delicate balance between domestic and foreign vegetable oil sources."

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## Tindema heads CI 'front'

By Philip Rawstorn

LUXEMBOURG. THE EUROPEAN Court still being threatened to change it into a m trade area, Mr. Leo Tindema, Belgian Prime Minister here today.

Plans for a European Court of the big four EEC, had not been abandoned, despite the fact that the Court would be a significant change in the Treaty of Rome.

Mr. Tindema was after his election as first President of the European Court of Justice. He is a member of the EEC's centre-right Democrats, pledged to a summit for direct elections in 1978 as "the only way" to a democratic legitimisation of the Community's political power.

In those elections, he would have to bridge the gap between the opinion and the hopes of national governments. "The major task for me will be to breathe new life into the idea of European unity," he said.

Mr. Tindema said the Community had made political advance in the months. "It is quite a peoples of Europe have made a great deal which has achieved so much in 25 years since established with so enthusiasm."

The formation of the first multi-national EEC elections on a right platform is a positive difficulties for the British servants here. That many issues they are allies, differences over rules in particular have ruled out any formal co-operation.

The Conservatives in link informally with the whenever possible to a dangers of isolation. Members of the British EEC summit in Co. which scrutinises EEC today ended two days with European MPs' strengthened Parliamentary over Community law-making.

THE DANISH Government not be able to accept the proposals on the composition of the European Parliament. The Danish Government has to make the U.K. and other large tries try to make them of a settlement clearing for direct elections to the European Parliament.

This emerged here in a meeting of the Folketing committee when the Government could not obtain a clear date on the position it take at the summit.

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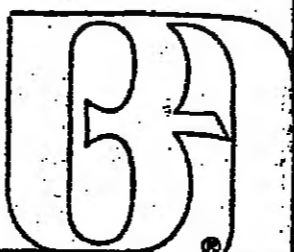
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## Escapers revive German terrorist fears

By Adrian Dicks

BONN, Jul

AS POLICE in West Berlin, and all over West Germany, continued their hunt for the four alleged women anarchists who escaped early yesterday morning it became here to-day that the uncomfortable issue of terrorism has been pushed once again into the forefront of the country's political life.

The circumstances of the four women's break-out, after apparently threatening two women warders with smuggled weapons, including a gun, have still to be fully explained. In spite of the insistence of the West Berlin authorities that security precautions at the high security prison were not lax, suspicion remains strong that they had help inside as well as outside.

Not the least curious aspect of the incident has been the admission to-day by the authorities that the Justice Department of the West Berlin Senate received an anonymous tele-

phone tip only four hours beforehand, warning it that "we are going to free our friends." The caller then claimed membership of the "June 2 Movement" to which at least three of the four women belonged.

It was this group which carried out the kidnapping in February 1975 of the West Berlin Christian Democrat leader, Herr Peter Lorenz.

The Berlin fiasco—or "second-rate thriller"—as the Sued-deutscher Zeitung disgustedly called it—has a leader to-day—hit West Germany before it had recovered its breath from the Entebbe hostage crisis of last week.

Although it is not certain how far the two incidents may have been connected, one of the escapees was Fraulein Inge Viett, one of six West German anarchists who were among the 33 people the Entebbe hijackers released. Whether the four women and their accom-

panies planned it that way or not, the break-out has more than made up for the kudos which the West German Government—largely thanks to the Israeli commando raid—managed to draw from last week's crisis.

In spite of firm assurances, provided after Entebbe hostages had been rescued last Sunday, that West Germany never considered releasing Fraulein Viett and five other hard-core German terrorists, a number of doubts remain.

The fact that the leader of the Entebbe group seems to have been a well-known West German terrorist, Wilfried Böse, suggests that one of the group's main aims may have been to humiliate the Bonn Government as well as to confuse thoroughly its working liaison with the Israeli authorities.

Herr Böse's presence among the "Palestinians," with an unidentified, German-speaking woman terrorist, also lends

weight to the "devil theory" of the West German police. The Palestinians will one day receive the various favours they received from German courts in some ambitious action. Heavily directed against the Federal Republic, they would almost certainly be the remaining members of the "Red Army of Germany." June 2 Stockholm groups from prisons where some are sentenced and others await trial.

While security is undoubtedly being tightened, Bonn is casting about for political moves to make. Chancellor Helmut Schmidt used his meeting President Valéry Giscard d'Estaing to press once for an international anti-terrorism convention.

THE DANISH Government not be able to accept the proposals on the composition of the European Parliament. The Danish Government has to make the U.K. and other large tries try to make them of a settlement clearing for direct elections to the European Parliament.

This emerged here in a meeting of the Folketing committee when the Government could not obtain a clear date on the position it take at the summit.

# AMERICAN NEWS

## Pennsylvania pension funds delay VW site decision

DAVID BELL

Details are now emerging in the U.S. by next autumn and the financing problems will not wait indefinitely for the State of Pennsylvania to come up with the money. Company officials have made no secret of the fact that they are still in contact with VW, which is still offering an alternative site at an abandoned tank plant outside Cleveland.

Both VW and the State remain reluctant to discuss the detailed problems that are holding up the deal, but spokesmen for both pension funds—one for school employees, and the other for general state employees—have confirmed that they are still working through the office of Mr. Milton Sharp, the State's Governor, in an effort to work out a satisfactory financing plan. One deadline now officially set is that the funds must be in place by the end of the year, when the State will be expected to produce cars.

WASHINGTON, July 8

But the financial advisers to both funds are understood to have urged them to be cautious and to make absolutely sure that the financing terms offered are at least competitive with yields on investments. In any event no decision is now likely until the next regular meeting of fund governors on July 23 and that is perilously close to the new deadline of August 1 which has been tentatively set for the completion of the deal.

Volkswagen's chief negotiator visited Cleveland yesterday and some sources are now suggesting that although the Cleveland plant is older it might be easier and cheaper to get into production than the Pennsylvania plant where there is some building and electrical work still to be done.

## K., Israel may buy new missile

OUR OWN CORRESPONDENT

IN West Germany and are among the countries now understood to be increasing interest in the new missile currently undergoing development in California.

Pentagon is beginning to talk about the weapon may cost as little as a computer and is expected to make allowances for important contour on the target. The missile can carry a powerful warhead only a little longer than a missile and is being code-named "The Cadet".

The weapon is now being tested as a sea-based version by the Navy. While Boeing is developing the version in naval version has, by all accounts, so far performed even the expectations of designers.

But if the missile is being warmly welcomed in the Pentagon it appears to be becoming an increasing obstacle in the way of a new strategic arms agreement, which in any case is unlikely before the November election. Sen. Hubert Humphrey, instance, has urged the Administration to suspend development of the missile to prevent a new Cruise missile arms race which could cost millions of dollars and make any SALT agreement almost impossible.

The success of the missile, however, makes it less likely that the Administration will be prepared to stop development, particularly as the Pentagon believes that the Cruise may be "two or three generations" ahead of the comparable Soviet missiles. The real secret appears to be the Cruise

WASHINGTON, July 8

missile which it no transpires has been under development for 18 years.

It is so sophisticated that it now contains details of every significant geographical feature on any one of a number of routes through Europe and Asia. These have been developed with the aid of satellites and other devices.

The engine is less than three feet long but the missile apparently flies at only 550 miles an hour which makes it too slow to be a first strike weapon. The Russians would see it coming and be able to retaliate. However, it is relatively speaking, so cheap to produce that large numbers could be launched in different directions effectively confusing an enemy and ensuring that some at least get through.

## Economics Minister meets Swiss

ZURICH, July 8

ARGENTINE Economics Minister Jose Martinez de Hoz met today with the heads of Switzerland's biggest banks at the start of a West European tour to seek financial credits and promote investment in his country.

Mr. Martinez met with the Presidents of the Union Bank, Credit Bank and Swiss Banking Corporation, known as the "Big Three". Aides said the meetings were all "extremely useful" but gave no immediate details. Mr. Martinez also met for one hour with Mr. Fritz Leutwiler, head of the Swiss National Bank. "This was more of a courtesy visit as it is not up to the National Bank to give credits," Bank spokesmen said.

Mr. Martinez explained to Mr. Leutwiler as well as to the private bankers his Government's plans to restructure Argentina's finances.

"We intend to pay back all our debts, of course, but we require credit in order to do this and to carry out the restructuring," Argentine officials said.

Mr. Martinez visits the Swiss capital of Bern to-morrow for talks and lunch with Swiss Economics Minister Ernst Brugger. He flies from Zurich to Paris the same evening on the second stage of his eight-nation tour. This evening, Mr. Martinez was guest of honour at a working buffet dinner given by the Argentine-Swiss Chamber of Commerce in Zurich.

Mr. Martinez also visited the U.S.-owned cars company Transax in Cordoba, where he met 1,700 workers for four weeks in the recession in Argentina. Transax is a subsidiary of Ford Motor Company.

A Transax official said that the lay-offs will begin next Monday. Automobile industry sources say that Transax made the decision because of a sharp sales drop in the car industry caused by a reduction in consumer purchasing power.

## TERRORISM IN ARGENTINA

# Extermination has priority

BY ROBERT LINDLEY, BUENOS AIRES CORRESPONDENT

LIEUT.-GEN. Jorge Videla, the Argentine army chief of staff and the de facto president, has pledged that he will exterminate the terrorists as the number one condition for a return to a constitutional government. After barely three months during which he has been in power this pledge has gone a long way toward fulfilling the long-standing ambition of the right-wing terrorists is concerned. The great majority of the more than 500 killed in "la violencia" since the March coup d'état against President Maria Estela Peron are believed to have been left-wing guerrillas. But President Videla obviously does not control all the forces involved in this repression, with the result that many persons who seem to have been completely innocent of involvement with the guerrillas have also become victims. Not a few members of the combined forces—the services and the police—have been killed as well, both before the coup and after it.

As a result not only has the bloodshed escalated considerably since the coup in March, but more and more thousands of inhabitants of Argentina fear for their lives, and many have left for Peru, for Mexico, for the U.S., for Britain, Spain, France, Italy and, in the case of some Chileans and Uruguayans, for Canada, Denmark and Sweden. Argentina, a late-comer to "la violencia," is going through a more serious siege than have any of her sister republics in recent years on the Latin American mainland forced to face up to serious guerrilla threats in the last 25 years—Guatemala, Venezuela, Colombia, Peru, Brazil, Uruguay, Bolivia and Argentina—Argentina's turn came last. There were several reasons for this, but the main one surely was the encouragement, which the late

Spanish exile, This encouragement and Peron's exile ended a month after an elected Peronist government took over in May, 1973. Gen. Peron's return on June 20 that year was marked by a ten-hour battle at Buenos Aires Ezeiza Airport between the left-wing guerrillas, whom he had been cheering, and the Peronist loyalists—"La Tendencia" and "Los Ordenados"—which left at least 135 dead.

Five months later, Gen. Peron himself took over as elected president, but he was unable to oblige the guerrillas to lay down their arms now that a "people's government" was in power and two seminars, for example, he died on July 1, 1974, ample, were made to lie on the

floor of the parish house alongside St. Patrick's, Buenos Aires, and were shot dead by terrorists some time before sunrise on Sunday morning.

On the same morning several helmeted men, according to eyewitness reports, got out of two cars at Buenos Aires' principal landmark, the 130-foot-tall obelisk in the centre of the city, dragged a struggling man out of one of the cars and "executed" him at the base of the obelisk.

On Wednesday night the new federal police chief, Brig-Gen. Edmundo Ojeda, did not speak at the ceremony in which he was sworn in by the Interior Minister, Brig-Gen. Albano Harguindeguy, but Gen. Harguindeguy did. He said that those who live within the law need not worry about the repression, which he emphasised was necessary, because it will be carried out "according to ethical norms."

Also on Wednesday night President Videla, speaking to his comrades in arms at the annual dinner of the three services, promised that the essential values of the country would be restored "through order, morality and authenticity." The words of the Minister have been taken here as a re-affirmation of the regime's determination to halt the terror.

There of course is urgency in the matter, not the least because of the Videla regime's image abroad. The choice of Jose Alfredo Martinez de Hoz as Economy Minister appears to have been an especially wise one.

The rise in the cost of living was 37.6 per cent in March, the month of the coup, 33.9 per cent in April, 12.1 per cent in May and 2.1 per cent in June. But a serious recession may be setting in. Last month on a fund-raising trip to the U.S. and Canada, Minister Martinez de Hoz was more successful apparently than he had thought he could be. On the same mission, on Monday he set off on a European trip that will take him to Switzerland, West Germany, France, Holland, Belgium, Great Britain—where he is scheduled to be between July 16 and 20—Italy and Spain.

Argentina desperately needs foreign investment to reverse the recession. But this investment may not be forthcoming in considerable sums if the violence indeed does not become wholly "official, public and controlled."

On Wednesday in Luxembourg, the executive committee of the European Common Market voiced its preoccupation about the violence in Argentina but recognised what must be the truth: that "the situation is not the result of a political plan but derives from the powerlessness of the Government to repress the political terrorism." Earlier the committee had rejected a request by liberal and socialist members of the European Parliament that it demand that Gen. Videla "immediately re-establish democratic liberties"—a palpably impossible task.

## Some frightened families are spending the nights away from their homes, returning only when there is daylight.

Some frightened families are spending the nights away from their homes, returning only when there is daylight. As the killing, apparently, becomes less and less selective, the fear naturally increases.

Gen. Juan Peron gave to the guerrilla movement here in the final years of his voluntary respect for human rights out of

## Brazilian inflation reaches 40%

HUGH O'SHAUGHNESSY

INFLATION IS running at 40 per cent a year in Brazil, according to the Getulio Vargas Foundation, was 3.3 per cent in May bringing the rate to 40 per cent. The July figure likely to be affected by the rise in petrol prices already announced.

Meanwhile the trade deficit for May \$133m. has brought the total for the year to \$1.3bn.

(Imports of \$4.7bn. against exports of \$3.4bn.). The trade gap last year was \$5.1bn. (January-May 1978 \$1.5bn.).

The Government hopes that with a small trade surplus, Motor industry sources said this month that its exports this year, estimated at \$400m., will more than outweigh its imports of steel parts and other raw materials.

According to Sr. Angelo Calmon de Sa, President of the Banco do Brasil, his bank has lent \$830m. to other countries of Latin America, the bulk of it for the import of Brazilian products.

Mr. Secondé was withdrawn from Santiago in January after the junta's action in imprisoning and scourging the British surgeon, Dr. Sheila Cassidy. Mr. Keith Haskell, will continue as Chargé d'Affaires ad interim.

## Lower U.S. budget gap expected

Office of Management and Budget has lowered its estimate of the 1978 budget deficit. Sources said in Washington yesterday, Reuters reports, a source said that the office expects that its final figures show a budget deficit of \$78bn. and \$72bn. rather than the \$78bn. originally stated.

The lower deficit reflects a lower expected level of spending in the final quarter of the year could result in a lower than expected level of new Treasury borrowings over the next three months, a senior Treasury official said.

## Bahamas introduces Bill to combat corruption

BY NICKY KELLY

NASSAU, July 8

FOLLOWING widespread charges of corruption within its ranks, the governing Progressive Liberal Party in the Bahamas has introduced an Anti-Bribery Bill that deals specifically with attempts to influence public servants. Persons found guilty under the Act would be liable to a \$10,000 fine and or four years imprisonment, with the burden of defence resting on the accused.

The measure is due for debate on July 23. A companion Bill calling for full and regular financial disclosure by members of Parliament of their assets, liabilities and private business interests is expected to be tabled at that time. The Bill has been

delayed because of strong disagreement among PLP members, a number of whom are vigorously opposed to any disclosure.

The two Bills were fore-shadowed by Prime Minister Lynden Pindling at last year's PLP convention when he admitted for the first time the damage done to his party by corruption charges. He said that the party's integrity had been called into question and those failing or unwilling to make a disclosure of their financial position should be prepared to resign. In April, however, the Government rejected an Opposition request for a commission of inquiry to investigate alleged corruption within the PLP.

## Canada cuts oil subsidy

OTTAWA, July 8

ENERGY MINISTER Alastair Gillespie signed an order reducing the subsidy on imported crude oil to a July rate of \$3.35 a barrel from \$4.50 a barrel in June. The bulk of Canada's imported crude comes from Venezuela and Iran.

The order carries out a recommendation of the Energy Supplies Allocation Board and coincides with an increase in the domestic crude oil price of \$1.05 a barrel.

The \$1.15 cut in the import subsidy is made up of \$1.05 to offset the domestic price increase and 10 cents for lower freight rates and a slight decline in world prices.

The order also reduces the subsidy for most products to \$2.90 a barrel from \$3 for July and August. There will be a further \$1.05 cut in the subsidy for products in September.

The 80-day delay in reducing the subsidy for products represents the time it is estimated to take for cheaper domestic crude to work its way through the system.

The \$1.15 cut in the import subsidy is made up of \$1.05 to offset the domestic price increase and 10 cents for lower freight rates and a slight decline in world prices.

## Five countries get loans

WASHINGTON, July 8

THE WORLD Bank and its affiliate, the International Development Association (IDA), has approved \$172.5m. in loans to five countries.

India will receive \$80m. from the World Bank for telecommunications facilities, including local and long-distance telephone lines and a small communications satellite earth station to improve communications between the Andaman Islands and the Indian mainland.

Brazil will receive \$40m. from the Bank for public water supply and sewer systems in the state of Minas Gerais. Turkey will receive \$26m. to help finance construction of a major tourist resort centre near Antalya. Total project cost is estimated at \$280m.

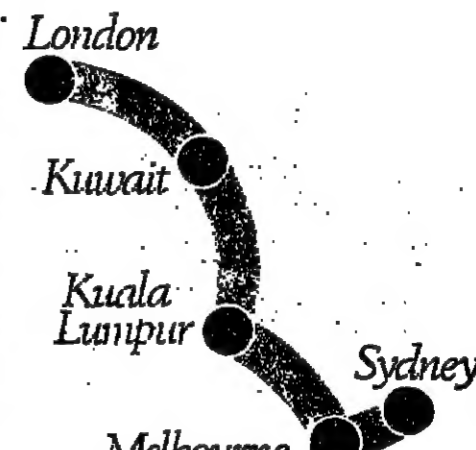
Syria will receive \$17.5m. in two bank loans for livestock development projects, including sheep-growing co-operatives. Nepal will receive \$8m. from the IDA for irrigation and other projects to increase rice production in the Terai region.

THE PRESIDENT of the Philippines has ordered a continuing programme to replant coconut farms with high-yielding hybrids to increase production and strengthen the country's position in the world copra market, reports Reuters.

Mr. H. P. Lee has been appointed director of the SPP (SPP), a member of the Books Council, and engineering division. He succeeds Mr. R. A. who has taken up the post of managing director of another company within the division, Mr. S. A. of San Paulo, Brazil.

Philippines coconut farms

MANILA, July 8



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# 20 sensible questions you asked about Asbestos and health. And the answers.

## 1 What are the risks of my getting an Asbestos disease?

The risks are almost always confined to those who worked extensively with asbestos some years ago - before present safety regulations were introduced.

Asbestos only becomes dangerous when the dust is breathed in excessive amounts, generally over a long period.

It can damage the lungs and interfere with breathing: this is a disease called asbestosis, which can lead to a greater risk of developing lung cancer, particularly when associated with heavy smoking.

Some people may develop a rare cancer called mesothelioma. Of all the cancer deaths in the country only 0.14% are due to this disease, which can develop without any link with asbestos.

Where there is a link it is mainly associated with blue asbestos fibre, which is no longer imported.

Most asbestos related diseases are the result of high exposure to asbestos dust in working conditions which are no longer allowed by law.

## 2 How long do Asbestos diseases take to develop?

Most asbestosis cases are diagnosed 15-20 years after first exposure.

Mesothelioma has developed between 15 and 50 years after exposure to dangerous amounts of asbestos dust.

People suffering from asbestos diseases today were thus almost always exposed many years ago to working conditions which are no longer allowed.

## 3 Is it just the dust that's dangerous?

Yes. Asbestos-containing products in themselves are perfectly harmless.

The only risk is when fibres are released in quantity, for instance by intensive cutting or abrasion.

## 4 What are the advantages, if any, of asbestos?

Asbestos combines several vital properties in one economic substance.

It resists fire, heat and corrosion. It's strong and long lasting, even though it is extremely light and flexible.

As a reinforcement it gives these properties to other materials, e.g. in brake linings it withstands the heat generated by braking.

## 5 How can I recognise Asbestos products in my home?

It isn't always easy. Asbestos fibres are usually mixed with other materials - such as cement and various resins - which seal them in, but can make them hard to recognise.

Because asbestos resists fire and heat, it's used in insulation board, ironing board stands and oven door seals.

Asbestos cement sheeting is weatherproof, too, so it's often used to roof garden sheds and garages. And asbestos is used in your car brake and clutch linings. In the past it was sometimes used to lag tanks and pipes.

## 6 What is the Blue Asbestos I've heard about?

Blue asbestos fibre (crocidolite) is a rare form of asbestos that's exceptionally strong and acid resistant.

It is, in some instances, considered more dangerous than white asbestos, and has not been imported since 1970. Before that it was used for sprayed insulation and pipe lagging.

## 7 Are there any tests that detect Asbestos dust in the air we breathe?

Yes. Tests for detecting dust in the atmosphere are carried out regularly by the asbestos industry, through the Asbestosis Research Council, other research organisations and public authorities.

The results indicate no health hazard to the general public.

## 8 Is there Asbestos dust in the air from car brakes?

Asbestos, combined with various additives, is used in car brakes for efficient stopping-power, strength and heat-resistance.

Only 1% of the tiny amount of brake dust released is asbestos, and asbestos levels in traffic are usually a million times lower than the level allowed in factories.

## 9 Is the asbestos on my ironing board dangerous?

No. The only asbestos in your ironing board is in the stand for the iron at the end.

Hard iron stands (the sort found on most modern ironing boards) present no hazard as they do not wear out.

Some older ones were made of a softer material, however, and may fray.

The amount of dust released should not be dangerous, but obviously, it is sensible to replace a worn stand.

## 10 My husband is a do-it-yourself fan. What should he know about Asbestos?

The asbestos industry has published a leaflet for the home handyman, which gives simple do-and-don't rules about working with asbestos products.

By the end of the year, most asbestos products in the shops will carry a special symbol.

At the bottom of this page, you'll find the Asbestos Safety Code.

Why not cut it out and keep it handy?

## 11 What should I tell my children about Asbestos?

There's no need to alarm them: simply tell them that, like petrol, gas and electricity, asbestos does a great deal of good - for example in fire protection.

But, like petrol, gas and electricity, it can be dangerous if not used properly.

## 12 Are older people more likely to get Asbestos diseases?

No. Age itself does not appear to affect anyone's susceptibility to asbestos-related diseases.

Some older people may have been exposed to asbestos dust at work, before the present safety legislation came into force.

## 13 What should I do if I think I have an Asbestos disease?

There are many causes for breathing difficulties.

However, if you think you have been heavily exposed to asbestos dust more than fifteen years ago, and you have trouble with your breathing, you should consult your doctor.

## 14 Can Asbestos cause skin cancer?

No.

## 15 What if I swallow Asbestos?

There is no evidence that swallowing a small amount of asbestos fibre has ever done anyone any harm.

## 16 Can I catch Asbestos diseases from someone else?

No. They are neither contagious nor infectious.

## 17 How should I dispose of Asbestos?

For industry, there are special regulations for asbestos waste disposal.

If you work on asbestos products at home, damp any dust you may make immediately, and seal it in a plastic bag for disposal.

## 18 What can I use in place of Asbestos?

Glass fibre, rock fibre and mineral wool may be used for some insulation products.

However, asbestos is indispensable for many applications. And for many others, it is still the cheapest and most efficient material.

## 19 Why has there been no Government statement about the dangers of Asbestos?

There have in fact been several Government statements on asbestos and health over the last 50 years.

Legislation controlling asbestos factories was introduced in 1931. More comprehensive asbestos regulations came into force in 1970.

This year, an Asbestos Advisory Committee was set up by the Secretary of State for Employment; this committee is reviewing the health risks for workers with asbestos products, and for the general public, to see if any further protection is needed.

## 20 Can Asbestos be used safely?

Yes. Any risk comes from careless working on asbestos products which can cause you to breathe too much asbestos dust.

So read the Safety Code below. And if you have any further queries, please send us the coupon. Our address is:

The Asbestos Information Committee, P.O. Box 4QS, London W1A 4QS.

## The Asbestos Safety Code

**Avoid creating asbestos dust.  
Avoid breathing asbestos dust.**

### AT HOME

1. **Damp the work** if you think you are likely to make a lot of dust: wet dust does not become airborne and is not inhaled.

2. **Damp any dust that falls to the floor** and pick it up as soon as possible. Place it in a plastic bag and seal the bag.

3. **Work in a well ventilated space**, if possible outdoors, when sawing, drilling, filing or sanding.

4. **Use hand saws and drills** where possible: these produce less dust than power tools.

5. **Renew worn or frayed asbestos insulators** like oven door seals, hot plate cover seals, ironing stands and simmering pads.

**AT WORK:** If your day-to-day job involves asbestos, you should already have been issued with instructions and, if necessary, appropriate safety equipment.

**ALWAYS FOLLOW THE SAFETY PROCEDURES.**

To: The Asbestos Information Committee, P.O. Box 4QS, London W1A 4QS.

Please send me further information on asbestos and health.

(If you have a particular query, please print it in the space below.)

My query: \_\_\_\_\_

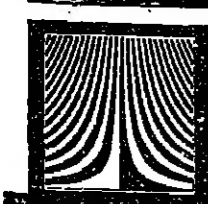
Name: \_\_\_\_\_ Address: \_\_\_\_\_

1/124

**The Asbestos  
Information Committee**







# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PROCESSING

### Big pipes cleaned fast

MANUFACTURERS of large diameter pipes of the types used in the offshore oil and gas industries could find themselves studying the advantages of installing a newly developed high speed blast cleaning plant.

Main advantage of this plant is that it will clean pipes up to 96 inches diameter, both inside and out, at speeds which will match the throughput of the latest high speed coating equipment. As the size of pipes increases so does the need for protection against corrosion and while the coatings now available are of very high quality, their life expectancy still relies to a great extent on the cleanliness of the surfaces to which they are applied.

Vacu-Blast—an Allied Polymer Group company—seeking more outlets for its expertise in the cleaning of very large metal fabrications, has been studying the pipe-cleaning question and

in conjunction with a leading Dutch consultancy, Selmers Engineering of Haarlem, has now designed blast-cleaning plants which will deal with pipe between 24 and 96 inches in diameter. This is at speeds previously unobtainable, says Ian MacGregor, Vacu-Blast's marketing director.

Pipes may be treated 'one at a time or in multiples, according to the needs of the manufacturer, and Vacu-Blast claims as an example that pipes with diameters exceeding 94 inches can be simultaneously blast cleaned internally and externally to the Swedish Standard SA2 at 2,400 square metres an hour.

Where diameters are less the cleaning rate is higher or, by using slower rates, higher standards of finish can be achieved.

The new plants, which will use angular chilled cast iron grit as the cleaning medium and blow it at the pipes at high pressure to remove scale and other surface defects, are

to include feed, storage and discharge tables with devices to ensure controlled movement of the pipes.

Slew conveyors for combined longitudinal and rotary movements, manipulators for rotary

motion only and a tilting bridge to discharge spent abrasive from inside a cleaned tube, are all major components of the Vacu-Blast/Selmers designs. Only two operators are required to control a plant for both internal and external cleaning.

It is understood that negotiations for the sale of the first plants are now under way and Vacu-Blast is all set to start production at its works in Ajax Avenue, Slough, Bucks (Slough 26511).

Basically it is an inclined mesh drum which rotates at 10-12 rpm and is fitted internally with a series of helical knives (interchangeable for plastic or paper sacks). Full bags are fed into the drum at the higher end and as they tumble down the mesh the knives slit them open.

The contents pour through the mesh on to a vibrating screen, which collects any small pieces of bag or other foreign matter, and thence into a hopper. The remains of the sacks are discharged at the end of the drum.

The maker says the only stipulation for effective emptying is that the material is free running and contains no large unbreakable lumps. Wastage is said to be less than 1 per cent. Power consumption is less than 4kW.

Conveyors, chutes, tilting feed tables, and filters are among the optional equipment available to make the installation semi or fully automatic.

Details from Kockums Industries, Maidenhead, Berks. SL6 4EH (0628 39944).

Marketed in the UK by Prof. Engineers, 1163, Bristol Road South, Birmingham, B31 2SL (021-475 4366).

Finished in two-tone beige, the unit, which costs £125, measures 14½ x 13½ x 28 in. high. It is available from Portable Factory Equipment, Summit Works, Smith Street, Hockley, Birmingham B19 3EW (021-584 7241).

Details from Rones Vickers, Lansdowne Road, Croydon, Surrey, CR9 2HA (01-884 4333).

ENTERING THE market this month is an electrostatic copier from Rones Vickers. Priced at £295 it is most cost-effective when used to produce between 100 and 500 copies/month, says the company.

Called the DB3, it uses a paper cassette feed and will copy from originals up to A4 size at 3 copies/minute. The machine requires no warm-up time and is stated to be almost silent when running. Operation is from a single push-button. Each paper cartridge contains 100 A4 sheets, and can be immediately replaced for removed for security.

Suggested users include the professions, such as doctors, solicitors and accountants, and small businesses currently using outside copying services. The company emphasises the potential savings in material costs compared with existing dual process machines—only 2.7p per A4 copy.

Documents cut to shreds

LATEST IN the range of office shredders from Portable Factory Equipment is the Shredmaster I. Powered by an electric waste paper basket. It can take 12 sheets of paper and slice them into 4mm wide shreds in one pass. The waste falls into a rigid bin, which slides out of the console for emptying.

Powered by an 1 hp electric motor, the unit has an automatic overload cut-out and reverse switch. It uses self-sharpening toughened steel cutters, stated to be unaffected by pins, staples and similar items.

Typical luminous intensities range from 1.0 up to 12.0 microcandies at a current of 10 mA. The green, yellow and orange devices are comparable in performance with standard red light emitting diodes.

Single lamps are available in the three most popular lens configurations of 0.125, 0.18 and 0.2 inches. A choice of lens colour and characteristic as well as viewing angle allows most applications to be met from stock parts. The displays are offered with heights of 0.3 or 0.6 inch. More on 027 932947.

A VARIETY of sizes and shapes of plastic mirror including convex and hemispherical types, are being made in clear or coloured acrylic by Impact Mirrors, 18 Collingwood Buildings, Collingwood Street, Newcastle upon Tyne, NE1 1LF (0632 612260).

Apart from the obvious decorative applications, the company suggests the mirrors can also be used for safety and security applications, particularly the hemispherical types. These domes are available from 20 to 80 inches diameter and give a wide range of vision.

Offering a second source for most of the LEDs from other makers, the company also claims it is able to supply a range of green devices at prices comparable to those of other colours.

Typical luminous intensities range from 1.0 up to 12.0 microcandies at a current of 10 mA. The green, yellow and orange devices are comparable in performance with standard red light emitting diodes.

As an alternative to direct appointment a secondment from a candidate's present employer can be arranged on reimbursement terms to be negotiated.

Please write, enclosing a curriculum vitae (and quoting Reference 1A/FT), to Mrs. D. Mellon, Scottish Office Personnel Division, Room 106, 22 Queen Street, Edinburgh, EH2 1LY as soon as possible and in any event not later than 6 August 1976.

The primary responsibilities of the post are:—

(i) to evaluate applications for selective financial assistance;

(ii) to provide an expert's view on steps which will encourage the expansion and modernisation of industry in Scotland;

(iii) to seek out firms which might be encouraged to undertake expansion projects.

Candidates must have held a senior managerial position in industry or finance (preferably both). They should have the ability to discuss financial issues authoritatively with top management and to influence, in a positive manner, the planning and decision-making of industrial companies.

The salary for this post is subject to negotiation, but will not be less than £10,500 per annum. The appointment will be for two years.

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## HANDLING

### Dust-free powder bag emptier

SACKS OF powdered materials can be expensive in labour to handle and open. Material waste and airborne dust are additional problems.

The Swedish company Kockums, claims to have overcome these difficulties with a bag emptier which has a capacity of up to 400 bags/hour.

Basically it is an inclined mesh drum which rotates at 10-12 rpm and is fitted internally with a series of helical knives (interchangeable for plastic or paper sacks). Full bags are fed into the drum at the higher end and as they tumble down the mesh the knives slit them open.

The contents pour through the mesh on to a vibrating screen, which collects any small pieces of bag or other foreign matter, and thence into a hopper. The remains of the sacks are discharged at the end of the drum.

The maker says the only stipulation for effective emptying is that the material is free running and contains no large unbreakable lumps. Wastage is said to be less than 1 per cent. Power consumption is less than 4kW.

Conveyors, chutes, tilting feed tables, and filters are among the optional equipment available to make the installation semi or fully automatic.

Details from Kockums Industries, Maidenhead, Berks. SL6 4EH (0628 39944).

Marketed in the UK by Prof. Engineers, 1163, Bristol Road South, Birmingham, B31 2SL (021-475 4366).

Finished in two-tone beige, the unit, which costs £125, measures 14½ x 13½ x 28 in. high. It is available from Portable Factory Equipment, Summit Works, Smith Street, Hockley, Birmingham B19 3EW (021-584 7241).

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## AGRICULTURE

### Takes heavy metals from the soil

WHILE HEAVY metals, such as copper or zinc, are vital for plants as trace elements, they can be toxic if present in too high a concentration in the soil.

Again, other heavy metals, such as mercury or nickel, are toxic to plants even in minute quantities, resulting in poor seed germination, dwarfism and deficiency symptoms in roots and leaves. At the same time, certain heavy metals accumulate in plants.

High concentrations of heavy metals in the soil may be caused naturally or by emissions containing metals, though they may also occur when domestic waste such as sludge from purification plants or refuse compost are used in agriculture.

The important issue is that hitherto it was impossible to rehabilitate soil that had been contaminated in this way. But the international chemical group has a solution to the problem in the form of two new ion-exchange resins.

In brief, these resins absorb and retain heavy metals contained in the soil. This prevents these toxic substances from being taken up by plants. As the heavy metals are removed, various ions which act as nutrients are released into the soil.

Either Lewatit OC 1030 or a mixture of fucose, and are stored in pairs, the two can be used, depending on the plants' nutrient requirements. Application is simple: the resins, which are insoluble in water, are worked into the soil in powder or granule form, the amount to be used depending on the soil analysis. The salt concentration and pH remain unchanged.

The operation of these products has been demonstrated on certain useful and ornamental plants in outdoor and greenhouse tests. The metal-selective ion exchange resins may therefore be employed when necessary for the rearing of ornamental plants. However, further extensive tests are necessary to determine the resins' use in the growing of vegetables, vines and fruit.

Bayer AG, Leverkusen, West Germany.

The maker says the vehicle will carry almost any unit load device (pallet or container) currently in use with wide-bodied aircraft.

Hydraulics for the vehicle were supplied by Spence, Franklin, Gomersbury Avenue, London W5 9SB (01-895 3751).

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## COMPUTING

### Print-out lasts a long time

WHILE protagonists of COM (computer output on microfilm) are urging everyone to turn their computer output into microfilm, Norprint has decided to offer a "virtually indestructible" computer print-out paper.

Called Tyvek, it is complete polymer material which is almost completely rot-proof, resistant to oil and grease, and dimensionally stable; yet it can be printed and written on like paper.

Sheets of the material can be incorporated within a set of continuous stationary for use on all makes of output printers. It can also be supplied with stringing holes, self-adhesive backing, tear-off perforations and other features.

Likely applications, states the company, are in labelling, machine shop instruction sheets and parts lists produced by computer. More from Norprint Darley Division, Wellington Road, Burton-upon-Trent, Staffs. (0208 65161).

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# FINANCIAL TIMES SURVEY

Friday July 9 1976

Model  
of  
political  
calm

## Bahamas

In its three years as an independent nation the Bahamas has made steady if unspectacular progress. Situated in a region where many of its larger island neighbours are beset with problems, the country has a quiet air of well-being.

John McCaughey

JAMAICA and elsewhere in the Caribbean the expression "political calm" is currently being used to describe the situation in many of the islands. That is so in the Bahamas, where word at the tip of every tongue — especially Governmental — is the maintenance of "the calm" as his greatest achievement, and few observers would disagree. The country has any number of arguments with its claim to be a model of political calm in the Caribbean. It has the lowest inflation rate in the region, and the lowest unemployment rate.

The Bahamas has survived the worldwide recession surprisingly well, and since December its external reserves have risen from \$240m. to a record \$386m. An additional \$100m. is held in the IMF's gold window.

At home there has been a boom in the money supply, with the dollar rising to \$27.2m. in 1974 to \$37.2m. in 1975. The dollar is at the end of 1975, her surprisingly, almost all growth occurred in fixed assets. One of the inexplicable paradoxes of the Bahamas is that in the midst of recession and double digit inflation (now down to 4.05 per cent.) total savings in 1975 rose 82.7m. — an increase of 20.5 per cent. By mid-May this year, domestic deposits totalled \$5m.

In external affairs, things are going very much the Government's way as well.

The Bahamas has participated actively in the Law of the Sea Conference and is confident that the Conference will accept the August 1976 "archipelagic principle." This would give the country a 12-mile territorial sea, measured outwards from a baseline embracing the archipelago and a 200-mile exclusive economic zone.

Exploration for oil on the seabed, which started in the 1950s, has been accelerated recently and a number of companies are seeking exploration licences.

The Bahamas' relations with the U.S. continue to be excellent, despite passing tensions created last year over fishing of Bahamian lobster banks by Cuban refugees living in south Florida, despite the somewhat James Bond-like activities of the U.S. Internal Revenue Service in attempting to breach Bahamian bank secrecy laws in order to provide evidence against American tax evaders, and despite the continuing negotiations over the rentals paid by the U.S. for the four bases, including a missile tracking station, that it maintains in the country.

### Distant

Relations with Cuba, by contrast, are polite but distant. Ambassadors are exchanged at UN level but there has been no interest in setting up embassies in the respective capitals, and approaches made by the Castro Government last year over a lobster fishing agreement were diplomatically ignored.

Apart from well-mannered expressions of regret at the troubles, along with worries that these might adversely affect tourism to the Bahamas, the Government has taken little interest in Jamaica's problems. From a foreign policy point of view, the Bahamas is largely minding its own business. External Affairs Minister Paul Adderley sees his task largely as plugging the Bahamas into the various world bodies and organisations and can divine no contentious issues on the horizon to disturb the air-conditioned calm in which he copes with his heavy flow of paperwork.

Meanwhile, the personal popularity of 46-year-old Prime Minister Pindling remains remarkably high among Bahamians. Even his political opponents readily acknowledge his political skills, appetite for hard work and charismatic appeal to voters. For these reasons among others he is likely to win the next election, which he must call by September of next year at the latest.

This rosy picture, however, is not without its drawbacks. Unemployment jumped from 8.6 per cent. in 1973 to 21.2 per cent. last year, and the figure may currently be even higher because of the failure of many who are out of work to register at employment exchanges. A bulk of some 5,000 school leavers at the end of last month will worsen the figures and will do nothing to reduce the Government's worry over the situation.

More than 60 per cent. of the Bahamas' population is under 25, and unemployment is at its peak in that age group. One estimate by the Department of Statistics says that the under-25s could account for almost half the jobless total. There is no income-tax in the Bahamas, but neither is there any unemployment pay or British-style social security payment. A National Insurance scheme started in 1974 supplies death, sickness and injury benefits but will not begin to provide retirement benefits until next year.

What has been termed "a certain misdirection" in the Government's educational policies has aggravated the unemployment situation. After Mr. Pindling's Progressive Liberal Party ousted the old, White United Bahamian Party in the landmark 1967 election, it embarked on a massive school-building programme. The programme is now virtually complete and has been a considerable success. It is so much of a success, some say, that the Bahamas is in danger of becoming a net exporter of educated people who cannot find jobs within the economy and are not trained to fill the country's need for accountants, doctors and other professionals.

The island of New Providence, in particular, has also been suffering in recent years from a severe water shortage that has led to cut-offs of 16-18 hours a day in many homes. Half the country's population lives in New Providence, and this overcrowding, along with inadequate reservoirs and the nature of the Bahamas (a nation of islands with a small land mass and no rivers) is largely responsible for the shortage.

The eight-year-old desalination plant on New Providence often breaks down, or that they are carried out by a tiny but highly daring and hard-working group of desperadoes does less than fully explain the increase.

The proximity of the United States has inevitably led to the importation of many of that country's social problems. Firearms are being employed much more frequently in crimes, and marijuana smoking has become a worrisome trend among young Bahamians as alcohol consumption looked like becoming a habit among the elders.

### Barge

An alleviation of the shortage is now being sought by bringing in water by barge from the neighbouring island of Andros, and it is hoped that this will boost water input by some 3m. gallons daily. A World Bank loan of \$82m. will be applied to the project and to studies aimed at finding a long-term answer. A reverse osmosis plant is being built on New Providence and, other — as yet undetermined — methods will, it is hoped, eventually afford round-the-clock water and adequate sewage facilities to the increasingly impatient citizens of the island.

Other irritants continue to prey at Mr. Pindling's carefully-nourished stability. Allegations of corruption — made both at home and in the U.S. media — are almost as much of a burden to his Government as they were to the old (now disbanded) United Bahamian Party. The Nassau Tribune — one of the capital's two newspapers and an intemperately anti-Government organ — loses no opportunity to ventilate the latest charges of high-level malfeasance.

The crime rate is rising despite vigorous police action and the presence of a newly-formed "Beach Warden" force

(mostly illegal) of many Jamaicans and Haitians is worsening the situation. Ironically, the country is a big exporter of steroids — one of the key ingredients in birth control pills.

In other areas of planning, though, the Government's goals are being pursued with considerable success. A ten-year social and economic development plan, which has been promised for a number of years, should be put before the House of Assembly shortly and is eagerly awaited.

The Bahamianisation programme — aimed at giving Bahamians 60 per cent. ownership of businesses in the country — is progressing steadily and has already had considerable effect at the staffing level in the tourism and banking sectors.

The Bahamas Development Bank is being capitalised this year with \$3m. raised as part of a \$25m. Government stock offer, and the U.S. Agency for International Development (AID) has put a further \$800,000 on deposit with the Central Bank to guarantee loans made by the commercial banks or the Development Bank to farmers and businessmen in agriculture-related projects.

Any Government that has run its term generates dissatisfaction because it has not solved all the problems or met all the aspirations, but, even so, Prime Minister Pindling can face next year's election with equanimity. Although representation in Parliament (where the Government holds 39 of the 38 seats) does not reflect the 43 per cent. of the vote that the Opposition

won in the 1972 election, the opposing Free National Movement and Independent MPs are divided, and the FNM leader Mr. Wallace Whitefield does not currently have a seat in the House.

Mr. Pindling may not win by the landslide that he hopes for but he seems certain to get in for another term with a reduced majority. The large number of young people who have qualified for the vote since 1972 (when the electorate numbered 57,000) are, despite their high level of unemployment, curiously apathetic to politics, and many have not registered for the polls.

In addition, work should begin soon on various schemes — like the construction of a casino and convention centre on Cable Beach in Nassau — and these will mop up a lot of unemployment in the under-35 sector. The water-shortage crisis will be eased by election time and the wily Mr. Pindling has a number of other carefully-orchestrated plans in hand that are likely to reach fruition at a politically convenient time.

The Bahamas may not be "The Paradise of the Western World" — the tourism posters immediately proclaim it to be, but in Caribbean terms it has much to envy and to be grateful for. The wry assessment of the economy advanced by the sophisticated Governor of the Central Bank could perhaps be extended to cover the nation's mood at the moment. "We get the idea that we're not doing that badly," murmurs Mr. Tim Donaldson with a smile. "So we don't make too much noise."

### BASIC STATISTICS

Land area:	5,353 sq. miles (700 islands, 30 inhabited)
Population (est.)	202,000
TRADE (1975)	
Imports	\$B1.6bn.
Exports	\$B3.4bn.
Imports from U.K.	\$B34.9m.
Exports to U.K.	\$B24m.
CURRENCY	
Bahamian dollar	£1 = \$B1.80

## Lloyds Bank Group in the Bahamas.

The Bank of London and Montreal, a subsidiary of Lloyds Bank International, offers a full range of services appropriate to an international banking and trust operation:

Eurocurrency loans. Acceptance of Trusteeships.  
Fixed Deposits. Company management.  
Notice Accounts. Nominee and Agency Work.  
Savings Accounts. Portfolio management.

For further information please contact:  
Bank of London and Montreal Limited,  
P.O. Box N1262, Nassau, Bahamas. Telephone:  
28711 or LBI Trust Company, 100 Pall Mall,  
London, SW1Y 5HP. Telephone: 01-930 2313.



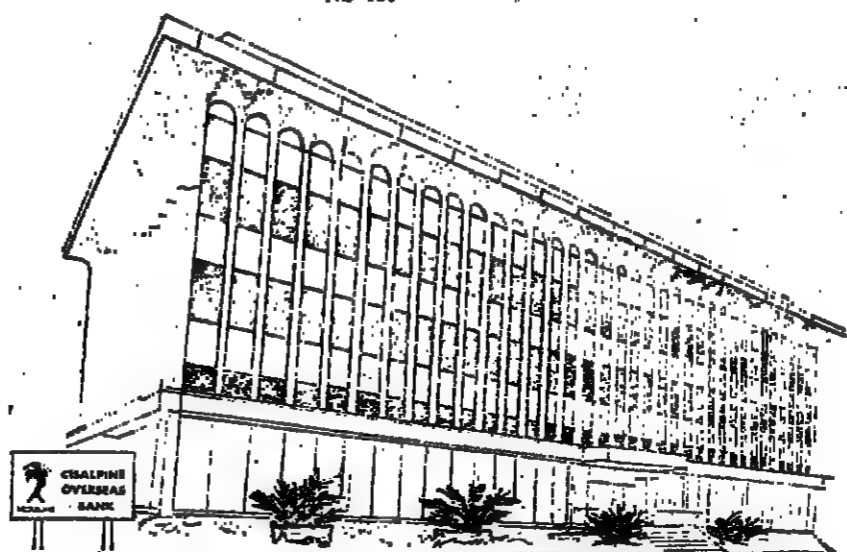
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## CISALPINE OVERSEAS BANK LIMITED

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Telex: NS 130 Answerback: Cisobank  
NS 183



Cisalpine Overseas Bank Limited was founded in 1971 and is now, in terms of total resources, one of the three largest of all banks incorporated and unrestrictedly licensed in the Bahamas. As an international merchant bank, Cisalpine is active in all forms of Eurocurrency business. Its trust department provides company management and trustee services to offshore institutional and individual clientele.

### Balance Sheet at December 31, 1975

Cash and due from banks	US\$101,624,181	Time deposits	US\$394,263,156
Time deposits	167,800,858	Accrued interest, Commissions and other accounts	6,429,775
Accrued interest, commissions and other accounts	6,089,593	Proposed dividend	900,000
Securities	10,404,327	Shareholders' equity*	23,181,311
Loans and advances	139,055,283		
	US\$424,774,242		US\$424,774,242

\*A capital increase took place on April 20, 1976 and increased equity by \$4.5 million.

BANCO AMBROSIANO is the largest private bank in Italy. Together with its affiliates, it controls assets in excess of US\$7 billion. The principal affiliates are:

Banca del Gottardo  
Banca Cattolica del Veneto  
Compendium S.A. Holding  
Credito Varesino  
La Centrale Finanziaria Generale S.p.A.  
Toro Assicurazioni  
Ultrafin A.C.  
Ultrafin International Corporation  
Lugano  
Vicenza  
Luxembourg  
Varese  
Milan  
Turin  
Zurich  
New York

## BAHAMAS II

# Growing appeal as a financial centre

WHEN THE Government decided without warning last December to quadruple company registration fees for non-Bahamian companies, there was serious concern about the effect this would have on the Bahamas' competitive position as an offshore financial centre. The banks and trust companies are now generally agreed that while the \$81,000 fee may act as a deterrent to some new business, the repercussions have been surprisingly limited. Admittedly the increase has forced out a number of dormant "shell" companies, but for the existing investor actively seeking to minimise his tax burden, the Bahamas still appears a very attractive site from which to do business.

Precautions are being taken nonetheless. Mindful of the Bahamas' pre-independence business decline, a number of the larger trust companies are either opening or expanding affiliate offices in Panama. Some clients, they say, are worried about the prospects of further increases and are seeking other alternatives.

Equally worrying, particularly for the trust companies, is the increase in immigration fees from a maximum of \$500 to between \$3,000 and \$5,000 annually for key bank, trust and accounting personnel. One prominent trust officer calculated that the increase would cost his company an additional \$84,000 a year, an increase of 9 per cent in his budget or 23 per cent of last year's profit. The net effect, it is felt, will be to make it more costly to service business from Nassau.

## Cheaper

Still, the Bahamas is considerably cheaper than London, where a minimum bank branch operation can cost \$250,000 a year compared to \$10,000 in Nassau. Several U.S. banks that had their external currency fund operations centred in London are in the process of moving them to the Bahamas. "While this may not be a shift in number, it does reflect a trend," says the Governor of the Central Bank, Mr. T. B. Bawell.

Other changes on the European scene are also having their effect in the Bahamas. The trust companies report a definite expansion in business from Europe and particularly out of Switzerland. They attribute this to a fear of the increasingly leftist trend in those countries, the very high price of doing business in Switzerland and concern that the EEC nations will continue their pressure on the Swiss banking system to forgo some of its secrecy provisions.

A number of similar attempts have been made by the U.S. Internal Revenue Service (IRS) to obtain client information from Bahamian banks and trust companies. Information given before a U.S. House of Representatives sub-committee last year revealed that the IRS has been trying for ten years to breach the Bahamas' bank secrecy laws. The investigation, code-named Operation Trade Winds and Haven, was intended to discover the names of prominent Americans seeking to evade taxes by holding accounts in the Bahamas and Cayman Islands branches of Castle Bank and Trust Company. Later testimony before the House committee disclosed that in one instance IRS agents had illegally removed certain of the bank's documents from the briefcase of a Nassau branch officer while the bank official was on a visit to Miami.

The Bahamas Government, which has been aware, since 1973 of the IRS's activities, has lodged strong protests with the U.S. Government. It is particularly resentful of the attempt to label the Bahamas as a haven for tax evaders. "Tax evasion is not at all a proper activity for a tax haven and it is certainly not encouraged in the Bahamas," the Prime Minister, Mr. Lynden Pindling, has emphasised.

The description needs to be made, he says, between a perfectly legitimate effort to minimise taxes and an attempt to evade tax liability. It is very doubtful, in fact, that much illegal business now finds its way to the Bahamas. Most of the trust companies shy away from such involvement and will not deal with a client unless his activities are bona fide.

Nevertheless the U.S. and member countries of the EEC can be expected to accelerate efforts to prevent tax avoidance by their nationals through the use of tax havens, warns tax expert Marshall J. Langer.

The Bahamas Government hopes by the end of the year to introduce a revision of bank and trust company legislation that will put beyond any shadow of doubt the Common Law relationship between bank and client. A test case being carefully watched however, concerns Castle Bank's Caymanian manager who was subpoenaed while in the U.S. and ordered to testify before a grand jury about his bank's American clients. He refused and was cited for contempt. His appeal has since been rejected, raising the possibility of similar action by American authorities against Bahamian bank and trust company officials.

## Effort

Well aware of the country's vulnerability as an offshore financial centre, the Central Bank has made a determined effort to weed out suspect operations. Of the nearly 40 financial institutions that withdrew from the Bahamas over the last three years, half had their licences revoked for "highly questionable" dealings. A number of other small companies left when removal of the Interest Equalisation Tax made it no longer advantageous to conduct their Eurodollar business from abroad.

There are 265 banks and trust companies doing business in or from the Bahamas at present. Among the active offshore banks and trust companies, approximately 55 per cent are of U.S. origin, while the next largest groups are Canadian, Swiss and Italian. There are also a number of multi-national consortium banks. Nassau's popularity as an international financial centre has been clearly related to the Eurocurrency business. Of the 90 Eurocurrency branches of foreign banks, 77 represent American banks. With Euro markets having a period of continued expansion after the difficulties of late 1974, the

Bahamas should expect a proportionate increase in the volume of Eurocurrency transactions flowing through the islands. Furthermore, there is a decided trend on the part of many foreign tax authorities and Central Banks to require that offshore operations be genuinely conducted from abroad rather than at head office. This should mean the expansion of a number of offshore branches and subsidiaries and increased employment for Bahamians.

Generally speaking, the banks and trust companies have already made considerable headway in providing local employment. Of the 2,000 people estimated to be working in banks and trust companies in the country, 55 per cent are Bahamians. But the Government, it is felt, does not fully recognise that there will never be enough qualified Bahamians available to fill certain job categories within the industry. Certainly there is a dearth of Bahamians in accountancy. Of the 300 qualified accountants in the Bahamas, only 20 are Bahamians. With immigration fees of \$3,500 per person, the larger accounting firms anticipate some \$100,000 a year in added cost.

In trying to assess the prospects for the future, one needs to consider internal as well as external factors. Internally, the present favourable legislation and economic and political framework for offshore banking in the Bahamas is likely to be maintained. Offshore firms, on the other hand, can expect to be asked to make a more direct contribution to the country's economic development.

The Government has said the additional revenue from company and immigration fees is needed to advance its programmes for making the Bahamas economically self-sufficient within ten years. Short of income tax, ruled out by the Bahamas' tax haven status, the only alternative was to place the burden on those more able to bear it, the Finance Minister, Mr. Arthur Hanna, told Parliament.

The financial sector has reacted pragmatically. Many within the industry are indeed sympathetic to the Government's position. This year for the first time, the commercial banks, working in conjunction with the Central Bank, have agreed to make farm loans available in order to assist in the Government's efforts to expand agricultural production. To aid the training of their employees, the banks and trust companies last year founded the Bahamas Institute of Bankers. It offered its first courses last autumn through the College of the Bahamas. The response has been enthusiastic, particularly from women employees, who have outnumbered the men almost two to one.

Philosophical differences with the Government notwithstanding, offshore firms in the Bahamas readily acknowledge the country's superior advantages compared to other tax shelters. Its expertise in handling trust and custody business is unequalled, they feel. Equally important has been the demonstration of economic and political stability at a time when supposedly stronger nations are foundering.

Very shortly the Government will introduce legislation that will establish the Bahamas as the newest "flag of convenience" nation. The country's tax advantages, superb climate and excellent banking and resort facilities should have special appeal for shipowners wishing to transfer their headquarters. Another development likely to make the Bahamas even more attractive as a tax sanctuary is the proposed change in company law. This will involve still more incentives for offshore companies to seek Bahamian domicile.

Nicki Kelly  
Nassau Correspondent

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## Property market begins to pick up

IN THE THREE years since property transactions. They will noticeable trend by the individual overseas buyer away from land to the purchase of a constructed vacation home that can also generate rental income during the owner's absence. Interest in land for resort development has also remained static for several years. One of the rare exceptions has been this year's announcement by Club Méditerranée that it will build four Bahamian holiday villages at a cost of \$40m. The first, due for occupancy in 1977, is being built on Paradise Island, adjoining the Resorts International hotel and casino complex. The second will be at French Leave, Eleuthera. The location for the remaining two has not yet been decided.

Treasure Cay, Abaco, one of the best known and most attractive of the out island residential resorts, now has seven rental-generating properties for sale, including apartments, condominiums, townhouses and villas. Lot prices range from \$12,000 to as high as \$200,000, depending on size and location. According, however, to its executive vice-president, Mr. Berkley S. Evans, Treasure Cay does not as yet foresee a swing away from the interest in constructed property back to land purchases. The development now has just on 300 privately-owned homes, villas, condominiums etc. with over 50 more under construction.

San Andros (Bahamas), which has a 7,500-acre development on nearby Andros, has just recorded the best six months in its history, with more than \$1m. in new sales monthly at its San Andros and Norman's Cay projects. Ninety per cent of the buyers are Canadians, but the rest Europeans and Americans. Ever more satisfying, says San Andros president Peter J. Porath, "is the almost astonishing level of interest in home construction." The houses, at \$25,000 and up, are being built principally as vacation homes.

Famingo Bay, situated on 30 per cent below replacement costs. They predict substantial increases in the next year or so, however, as quality homes to add 500 to 700 lots to the once again become scarce. Since 1971 there has been a all the earlier lots have been

Continued on next page

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## BAHAMAS III

# Agriculture is a top development priority

ESSING HIS party's position last October, Prime Minister Lynden Pindling said that it was his government's intention to achieve economic independence for the Bahamas within the next five years. In pursuit of that aim, the Government has set the end of 1980 as its goal for the Bahamas self-sufficiency in food production.

Optimism seems scarcely warranted, considering that the total food bill exceeds \$85m. annually and that only 20 per cent of the country's needs is met locally. Spurred, however, by the Government's agricultural and fisheries policies, the same priority has been given to the findings from land and ocean resource surveys, which have demonstrated that the Bahamas can be agriculturally self-sufficient and that while there are no vast fisheries comparable to those of the northern temperate regions, the total catch, particularly for deep water fish, can be extended several fold without depleting the resources.

Improved production centres, a comprehensive five-year plan, and the Government's emphasis on agriculture, livestock development, and special emphasis on the needs of the small-scale farmer and fisherman. For the time also, funds have been made more readily available through the Ministry of Agriculture and Fisheries for land, credit, agricultural equipment, technical assistance and the improvement of marketing facilities.

nk

The Bahamas Development Corporation, established in 1974, has capitalised this year with a raised as part of a \$25m. Government stock offer. The Agency for International Development (AID), has put a \$800,000 on deposit with Central Bank to guarantee the loans made by the commercial banks or the Development Bank recommended by the Government engaged in agro-industry business. These efforts are arch and training programmes being carried out at Government's Central Agricultural Station in Nassau and AID-sponsored Bahamas Agricultural Research Training Development (BARTAD) at Andros.

The Government has adopted a phased approach to the development of agriculture. The first, underway, is designed to top and expand traditional farming in those areas where it is limited. The second will involve large-scale mechanised farming where sufficient acreage is available. Based on the findings of the land resources survey, the country has been divided into crop zones, and culturally suitable. Crown land on a number of islands has been subdivided into five units for lease to farmers. In addition to other forms of assistance, improved farming techniques are being taught through expanding technical training programme that now includes posting of agricultural assistants to the various producing islands. Last year the Government became an active participant in farming business when it purchased the Harrisville farm, whose Hatchet Bay station has for 30 years been of the market's principal source of milk and poultry. The purchase, which cost \$250,000, was described by the Prime Minister as a first step towards national self-sufficiency and self-reliance. It is in fact difficult to say how many pro-



Fishermen seek a mooring alongside the vegetable and fruit sellers in Nassau harbour. Government programmes lay special emphasis on helping fishermen and small farmers.

Bahamas Agricultural Corporation, Hatchet Bay has been showing a healthy cash flow increase, and plans are being made to expand poultry production and add pig husbandry.

One of the major obstacles to better agricultural production has been the completely inadequate marketing system. The lack of proper marketing facilities and outlets has in the past resulted in substantial losses. This year the Ministry of Agriculture and Fisheries is giving special attention to this aspect. Five packing houses to be completed in time for next season will, for the first time, enable island farmers to sell on site to the Ministry and save shipping costs.

An unexpected setback in the Government's agricultural plans has been the late discovery that 12 per cent of the 100,000 acres pinpointed on the islands of Abaco, Andros and Grand Bahama as "prime cultivable and commercially desirable land" is held by private offshore companies under lengthy lease agreements negotiated by the former United Bahamian Party government. Much of this land is not being used. The Government is now in the process of reclaiming 2,000 acres annually. It is proposed that these holdings, together with large areas of Government-owned land, be put into production through the development of co-operative farms. The necessary co-operative legislation was passed in 1974 and six such groups are already functioning.

The decision, however, which is likely to have the greatest impact on agriculture in the Bahamas is the \$10m. BARTAD project established in 1973 as a joint undertaking of AID and the Bahamas Government. The purpose of the five-year programme is to investigate the possibility of establishing a viable agricultural industry that would include beef cattle, dairy, sheep, goats, swine, poultry production and all aspects of vegetable, citrus and grain production.

Located on 2,000 acres of Government land, BARTAD comprises a research and training centre and 16 80-acre demonstration farms. Research is at present being done in land clearance, soils, water, forage crops, livestock, farm management, credit guarantees and agricultural co-operatives. A primary consideration is finding the right agricultural ingredients for family-type farms so that they can operate principally as livestock producers with suitable fruit and vegetable crops integrated into each farming system.

AID's association with BARTAD is due to phase out in 1978 but its programme of research and training will continue under the direction of the Ministry of Agriculture and Fisheries. The biggest obstacle to the programme's success initially was the lack of professional Bahamians to

carry on management, research and development of the scheme. This problem is now virtually solved. The demand for places is already greater than can be accommodated.

Many of BARTAD's research activities are applied at the Government's eight-year-old Agricultural Station, which also carries on a number of its own research projects. The station's pig husbandry programme has had a dramatic impact on the industry. It has shown that although the Bahamas must now import over \$20m-worth of meat and meat products annually, first-class pork can be raised locally. Starting from scratch, pig farmers now supply 16-18 per cent of the fresh pork market.

As with agriculture, fisheries development has been stifled in the past by a shortage of capital, lack of expertise and poor marketing facilities. More important, however, has been the aggressive invasion of Bahamian waters by Cuban-American fishermen out of Florida. It is estimated that between 1970 and 1974 the Cuban-Americans took an average of 8m. lbs of spiny lobster (crawfish) off the Bahamas banks annually—more than twice the amount landed by Bahamian fishermen.

Two years ago the Bahamas Government issued an order designating the spiny, slipper and spotted lobster a creature of the Bahamas Continental Shelf. Its effect has been to put 10,000 square miles of the most lucrative lobster fishing grounds off limits to Florida commercial fishermen. A U.S. request for fishing rights was subsequently rejected and the Government has stated that, as a matter of policy, fishing in the Bahamas will be reserved exclusively for Bahamians. American authorities, which have similar legislation covering the Maine lobster, have respected the Bahamas Order.

### Export

Although crawfish is the only fish export at present, a three-year UN Development Planning Programme has determined that snapper and grouper also have good market potential in the Bahamas and overseas. Demonstrations by the UN fisheries vessel Fregata have shown that electric reels will allow fishing to depths of 200 fathoms, thus exploring the deep water off the banks that have up to now been out of reach of the traditional Bahamian fisherman.

A number of boats have begun using the Fregata's technology to catch deep water snapper but the survey team has pointed out that certain new facilities will be needed in Nassau and the outer islands if fishing is to become profitable. These are: a modern hygienic fish-handling and marketing complex where the fisherman can offload and sell his catch quickly; the development of a modern fleet of small vessels for crawfish and snapper fishing; the development of modern hygienic pro-

cessing plants throughout the country and the establishment in various islands of small holding rooms with cold storage facilities that can serve both farmer and fisherman.

All these recommendations are now in various stages of execution. Engineering work on the site of the fish complex has begun and construction should start early next year. Five holding stations are being completed and a number of processing plants have already been built. A food technology unit

has also been established by the Ministry to advise on areas of processing that can be profitably exploited. With activation of the Development Bank, the government hopes to provide credit arrangements for small fishermen to obtain better fishing vessels.

In the final analysis however, public attitude will determine the success or failure of the Government's food production programme. Since the booming sixties Bahamians have not looked kindly on a return to the soil and the sea. Circumstances may be changing that outlook.

N.K.

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N.K.

### Property

CONTINUED FROM PREVIOUS PAGE

says Flamingo's executive take over and ready the resort president Harry W. Hall for the coming season. Hall also notes the upsurge in interest over the past few months. Most of those developers have suggested that the Bahamas will not experience the Dutch and Swiss, full economic recovery until the Canadian there is major construction for the resort market. One proposal for the resort is being recommended by Canadian investors in litigation for the resort. The main reason is believed to be the political implications of a \$25m. debt by the resort. The resort is a development, promoters and obtain voting privileges. It is in fact difficult to say how many pro-

pective property buyers would actually wish to seek Bahamian residency. The Government has stipulated a \$5,000 permanent residency fee to include all members of household, and a \$1,000 annual residence charge with each dependent paying an additional \$20. Most foreigners however are seeking a vacation home and as tourists can remain for up to eight months at a time at no cost. But still the important consideration must be the degree to which they are made welcome. In the past the Government's intentions have not been made clear to investors and an unsettled atmosphere has developed. Says Previews vice-president Leland P. Krebs, Jr. "This has clearly been a stumbling block for commercial and resort development although perhaps not as important to the second home buyer."

N.K.



BAHAMAS V

# Recession hits industrial plans

CRISIS and recession have easily into the Bahamas' time for economic life. Hardest hit been plans to develop an oil industry from which government has hoped to more than \$8500m. over at five years of independ-

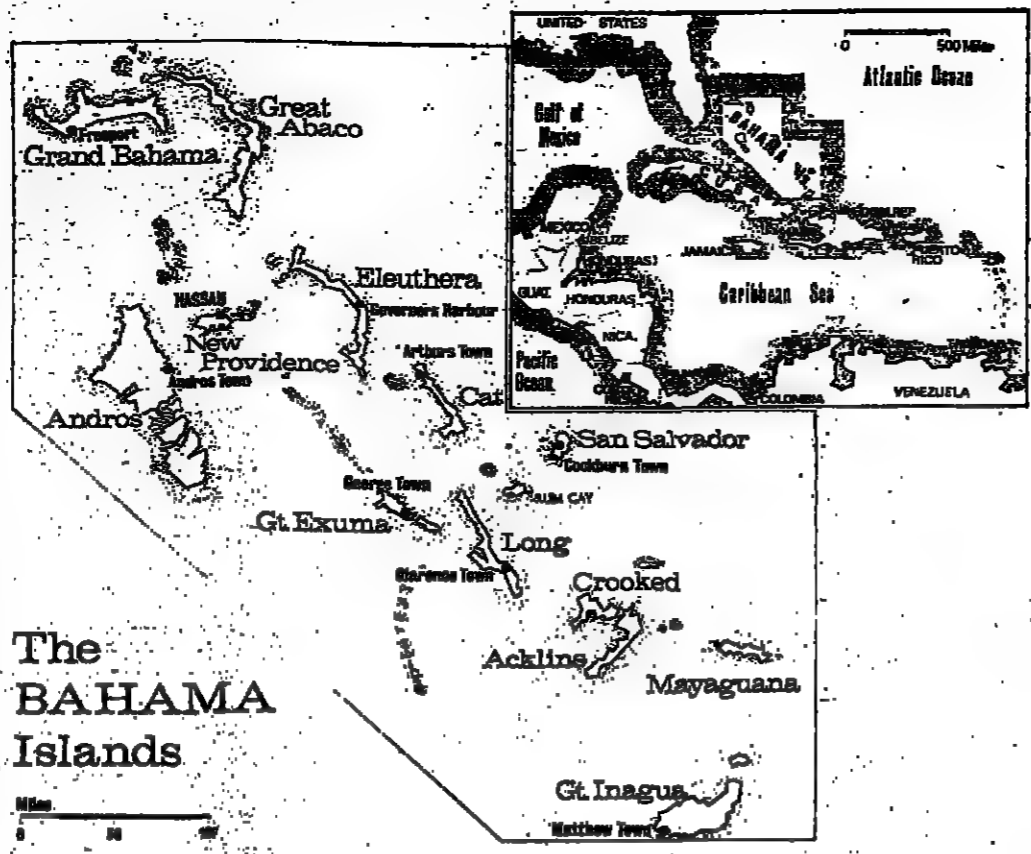
h the British-owned oil terminal, built as a venture with Government, the U.S.-owned Bahamas Oil Company (BORCO), principally by New and Petroleum, are suffering, and plans by two companies to build re-

\$55m. terminal was to the nucleus of a major chemical complex on the 3,000-acre Grand na Industrial Estate. ed as a joint venture on the Government-olled Development Corion and Seabulk Inter- of Florida. It was to be and managed by Seabulk e basis of a 20-year com- ent by Burmah to use the y. When Seabulk pulled t 1973 for financial reasons, ah undertook to fulfil the ntment and serve as ntior for the \$55m. con- tion loan made to Govern- by the Royal Bank of

thin the year oil companies stung by the Arab em- , escalating fuel prices and id-wide recession. Burmah, e meantime, started having n financial difficulties. The al came on stream in ary 1975 and the loan was ve been paid off by Govern- from royalties earned over 20-year period.

he terminal is however aing at a loss even though uels demand are now at rd levels. Hit by the slump he tanker market, oil firms nding it cheaper to use r VLCC's as floating storage s rather than pay the 15 ts a barrel holding charge ne terminal.

he result is that only 36m. els are being put through



The BAHAMA Islands

the terminal against a capacity of 150m. In contrast it is estimated that over 100m. barrels are being shuttled ship-to-ship, representing a significant loss of revenue for Burmah and the Government and posing the constant and very real danger of a major oil spill that could destroy large segments of Bahamian beach and marine life.

It was originally estimated the terminal would produce \$3m. in royalties during its first 12 months of operation last year. This has been scaled down to \$2m. this year but it is highly unlikely even that sum will be realised. Burmah is at present servicing the debt as well as meeting the operational costs of the terminal. There is no expectation the situation will improve until 1978 and then only until 1982 when Lipp and/or Seadock facilities come into use by the U.S. Should these be postponed, demand for the Burmah terminal will in all probability continue.

The difficulties at Freeport's \$300m. Borco refinery are the result of a U.S. Government decision to subsidise the price of crude to American refineries efforts to become independent of Arab oil. Four companies have applied for exploratory licences under the 1971 Petroleum Act. Earlier exploration has indicated there is very little if any oil at all, but hope persists. Conservative estimates place Bahamian oil reserves at 30m. barrels. Last year the Ministry of Development published an in depth review of all exploratory material in its files. The report is said to be enjoying a brisk sale.

Recession has also affected production at the U.S. Steel Corporation's Bahamas Cement Company plant. The first major manufacturer to set up operations in Freeport, Bahamas Cement was an important supplier to the Florida construction industry during the 1960 building boom. With the slowdown in Florida the company has had to cut back operations to well below maximum capacity.

Other industries at Freeport have fared better. The Syntex Corporation's \$11m. plant continues to be an important producer of steroid hormones used in the manufacture of birth control pills and of Naproxen, a Syntex-developed non-hormone compound used in the treatment of inflammatory diseases of the joints.

At the Todhunter Mitchell distilling and bottling plant, expansion has been continuous since 1965. The firm now distributes a wide variety of spirits, wines and beer and handles many brand names including Ron Mathusalem rum and Smirnoff vodka.

The \$3m. Grand Bahama Pipe and Steel Company is the most recent company to become established in Freeport under the special tax concessionary terms of the 1955 Hawksbill Creek Agreement. The plant, designed for the manufacture of large diameter spiral-welded steel pipe, is a development of Klockner, one of West Germany's major industrial and trading companies. The facility came on stream in April 1975 but there are already plans for expansion.

As the nub of Bahamian industrial activity, Freeport has been particularly hard-hit by the recession. Developments within the past year, however, have increased tremendously the city's attractiveness as an offshore manufacturing base. Under the General System of Preferences (GSPs) established by the U.S. and the Lomé Convention reached by the EEC and developing countries, the Bahamas is among a number of

prepared to assist BORCO by pointing out to U.S. authorities the importance of the oil company to the Bahamian economy. Reduced production has affected both employment and BORCO's plans for expansion.

In the wake of the energy crisis, Kadar Canadian Oils of Frankfurt and Dusseldorf's Thyssen Stahlunion Technik have cancelled plans to build a \$380m. refinery on the Industrial Estate as has Swiss Atlantic Terminal and Tanker Services which proposed to put up a \$470m. terminal/refinery. The Government has not given up its plans for developing a petroleum industry in the Bahamas "but the emphasis has shifted to the point where even private investors are encouraging us to get into a government-to-government relationship as the only way of obtaining long-term commitments for crude," says the Minister of Development, Mr. Alfred Maycock.

## Urgency

Oil companies, however, continue to show interest in the prospects of an oil find in the Bahamas. This has assumed new urgency in the light of U.S. efforts to become independent of Arab oil. Four companies have applied for exploratory licences under the 1971 Petroleum Act. Earlier exploration has indicated there is very little if any oil at all, but hope persists. Conservative estimates place Bahamian oil reserves at 30m. barrels. Last year the Ministry of Development published an in depth review of all exploratory material in its files. The report is said to be enjoying a brisk sale.

## Finance

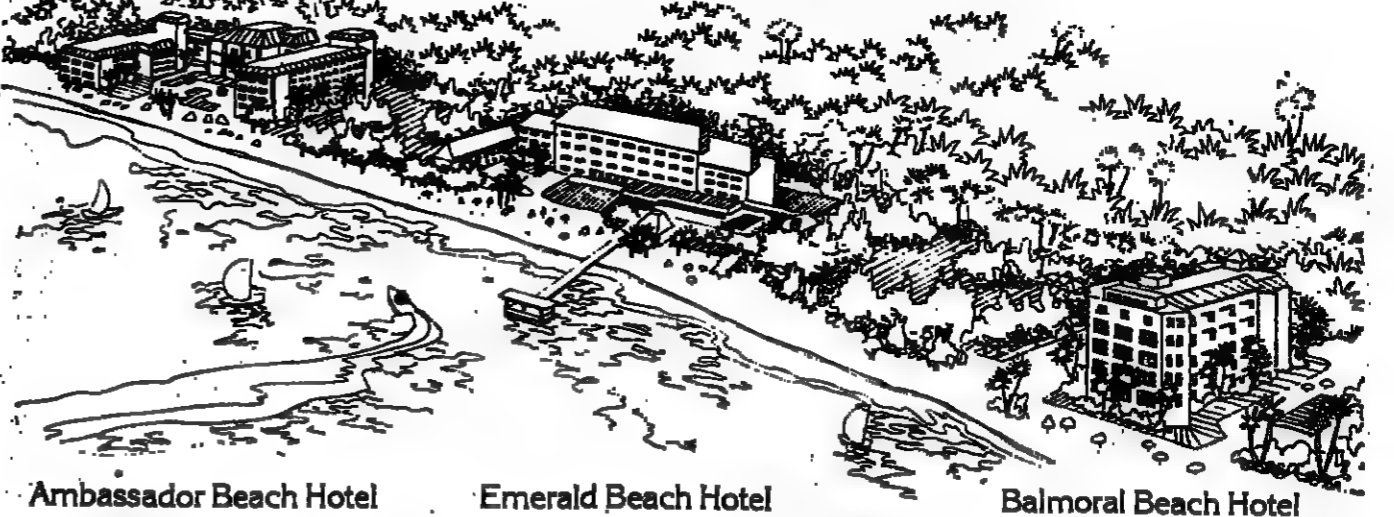
The difficulty has been, and still is, finding long-term, low interest funding to finance such enterprises. Capitalisation this year of the Development Bank should offer the needed assistance. In the last year the Government has undertaken to draft a ten-year social and economic development plan in which self-reliance and Bahamian ownership are regarded as the cornerstones for success. Where the technology, marketing or finance is lacking, joint ventures with outsiders are to be encouraged.

The Minister of Development has emphasized that there will be no Government pressure brought on the foreign equity holder to phase out of the operation once he has recouped his investment and a profit. What he anticipates is that as new ventures are established through the assistance of the private investor and the Development Bank, Bahamians will have greater access to capital. This in time should lead to a voluntary arrangement between the foreigner and his Bahamian counterpart.

The problem is that the Government has never had a clearly defined policy for dealing with the overseas investor. While approval in principle may be given a project within six weeks, final consent may take months and sometimes a year or more. As the chairman of the Development Corporation, Mr. Carlton Francis, has himself pointed out: "The potential investor to the Bahamas becomes frustrated by the existing method of moving from one agency to the other in order to get answers. This, coupled with the long wait before answers are finally given, causes him to reconsider and move his investment elsewhere."

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# The Management Page

In contrast to the limited success of worker co-operatives in the U.K., the Basque area of Spain has seen a growing number of such organisations prosper over the past 22 years. Robert Oakeshott reports on this in the context of the region.

## 'Grass roots' enterprises thrive amid the Basques

VO-HOUR bus ride from Leizor and you will find a small town in the charming little mountain-valley town of Leizor which is the birth and nerve centre of an thriving group of co-operatives. The group includes numerous varieties of enterprises covering housing, agriculture, shops and services. But the most spectacular is its industrial co-operatives. The first of these was set up in 1955 and now there are 12, employing a total of 14,000 people with an annual turnover which, even before the latest fall of the pound, was close to £200m.

These co-operatives include some of Spain's most famous producers of consumer goods (in particular washing machines and refrigerators) and some tools. They appear competitive not only inside but beyond its borders—15 per cent of the total production is exported. Recent foreign orders include building plants like washing machines in Ukraine and refrigerators in Mexico. This is, therefore, a group of successful, high technology, mass production enterprises with a record of which any capitalist could be proud.

Like any other group of enterprises in Spain, it has advantages of whatever kind credits and grants are available. Mondragon has not the recipient of any special favours. The group results from a grass roots local (if also Basque) movement. But the enterprises would almost certainly not exist at all were it not for one man. He is a Basque called Jose-Maria Arizumi, who inspired a small group of five men. These men founded the first co-operative enterprise—ULGOR. It is roughly the acronym of the initials of their names. Jose-Maria, now in his 50s, is still very much alive. He is, in fact, the largest of industrial co-operatives with a workforce of nearly 14,000. Of its five original members, three hold top leadership positions in the group, one

is dead, and the fifth left the co-ops to set up on his own at a quite early stage.

The group traces its history back beyond the foundation of ULGOR in 1955, to the early 1940s. It was then that Fr Jose-Maria, who had been on the republican side in the civil war along with the vast majority of the Basques, came to Mondragon. He found a demoralised community. As someone with a strong commitment to social and economic development he also found that all the normal roads to progress (whether directly political or via trade union organisation) were blocked off. His response was to raise money locally to set up a little apprentice school. The five ULGOR founders were all its graduates and in 1955 they decided to set up their own enterprise making small metal heating stoves.

### Structure was 'accidental'

They registered their enterprise as a co-operative, a choice of structure that they now say was "accidental". In the sense that Spanish law offered no alternative form which corresponded even remotely to their ideas. So the Mondragon industrial co-operatives were born. After ten years the workforce had risen above 4,000; after the second ten it had reached 14,000. After ten years sales approached 30m. pesetas (£245m.); after the second ten, they exceeded 200m. pesetas.

The apprentice school was steadily enlarged and began teaching degree courses in engineering in the early 60s. It has grown and prospered alongside the productive enterprises themselves and now occupies a magnificent set of new buildings, with what looks like the most modern equipment a mile or so from the old centre of Mondragon. But its most unusual feature is essentially a democratic one. It still offers, within one institution, both craft courses and programmes for graduates in technical and engineering subjects. It is as if one could take a course in welding at MIT (and as if the result-

ing combination was on offer not in Boston but in, say, Rapid City, Wyoming).

The institution has played a crucial role in the growth of the co-operatives. It is one of the only two "federal" organisations which the productive enterprises share. Its existence has made it possible for them to satisfy all, or almost all, of their manpower needs from within. It has also made it possible for them to tie in training programmes very tightly with their plans for future expansion.

The second "federal" organisation which the co-ops share is their bank. Its Spanish name is the Caja Laboral Popular—or, roughly translated, the "bank of the people's labour" or more simply the "workers' bank". In effect it is a hybrid. It is partly what we would think of as a trustee savings bank because of its numerous clientele of small depositors though it also provides standard banking facilities for, and holds, the cash balances of, the co-operatives themselves. But it is also an entrepreneurial or industrial merchant bank. (Its largest section, with a current workforce of over 90 is called in Spanish the Division Empresarial.)

The new headquarters building is large and modern with the highest quality of workmanship and finish. And from the Basque carvings and sculpture which are on show there, the bank clearly sees itself, among other things, as inheriting a banking tradition of patronage of the local arts. But I found myself wondering what a traditional banker would make of the fact that the maximum salary differential permitted in the bank, as in all the productive enterprises and in the school, is 3:1 before tax. Started in 1966, the bank had a total of 64 branches, spread around the Basque provinces of Spain, at the end of last year. Its 1975 balance sheet shows total deposits of just under 15bn. pesetas with capital and reserves at just over 1.5bn. pesetas. Pre-tax profits for the year 1975 were a little over 400m. pesetas. So, even by Spanish standards, it is still quite a small, and basically a local operation.

What is much more remarkable

than the bank's size is its record of success in both mobilising small fixed interest deposits from small savers and in putting them to work in the area by advancing short and long term credits to co-operative industrial enterprises. It is an extraordinary achievement. And the familiar clearing banks are

able to do this because of its financial institution. It is from the joint efforts of that leadership on the one hand and an increasingly large workforce of ordinary people on the other. In other words this is a most successful example of a combined endeavour between the two "sides" of industry, managerial and professional staff. This brings us to the single most

important puzzle which the service of the co-ops should be the need arise; and it is no accident that its chief executive, Sr. Ormaetxea, is described in Mondragon as the essential entrepreneur among the five founders of ULGOR.

Yet it would be wrong to jump to the conclusion that, national Basque sentiment apart, the main reason for the success of the co-ops has been the existence of this very high powered and professional "workers' bank". It would be wrong because what has been achieved results essentially not just from high level

entrepreneurial leadership but sides of industry). Of course of this differential limit, given that the lowest rates are maintained at or slightly above those paid locally and given that the differentials outside are much wider, will involve financial sacrifice on the part of the top managerial and professional staff.

There is a second key structural feature which has a similarly positive effect. Subject to a short period of probation, every worker in the co-operatives must buy a capital stake in the enterprise—currently costing around £1,000. Those with insufficient personal savings may have the money deducted from their wages over a period of up to two years. Not less than 30 per cent, and not more than 60 per cent, of the annual profits of each co-operative must be credited to these individual capital accounts. For some of the longest serving workers the money in these accounts—which normally cannot be cashed until the person leaves the co-ops—now exceeds £15,000. It is easy to see both how the ownership of such capital sums can do nothing but good for the people's feelings of "solidarity" and that they are likely to encourage a lively sense of involvement in the co-operatives' fortunes.

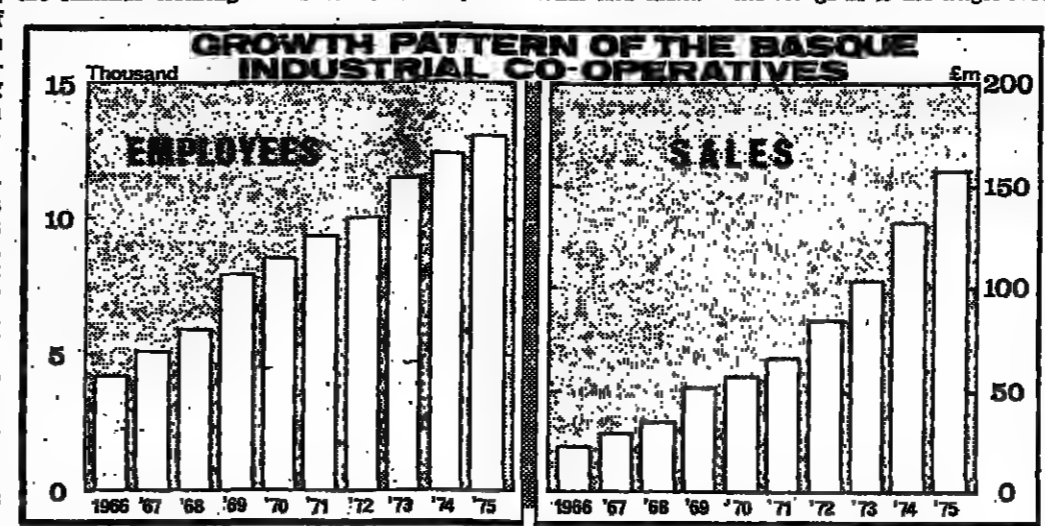
The third feature is the democratic power arrangements of the co-ops. There is the familiar vesting of final sovereignty in a general assembly of all enterprise workers and members which elects what at Mondragon is called the "control" board. This control board in turn appoints the management. Finally the Mondragon co-

operatives have not been short of high level and dynamic managers and professionals—in contrast with both the French industrial co-ops and the tiny handful of producer co-ops which survive in this country from the last century. It is easy to see that a basically artisan and working class leadership—which has predominated in the British and French experience—might feel inhibited about recruiting managers and professionals with thrust and drive.

So far at any rate the Mondragon co-operatives have avoided this problem. I suspect that they have done so not only because of the unifying force of Basque nationalism but because effective leadership has remained with the professional and managerial groups and because that state of affairs has not yet been seriously challenged.

There is therefore a basic lesson to be learned from the Mondragon success. It is to realise the importance of self-help—or people's capitalism as it can be called in slogan terms. Those who believe that the "failure" of socialism in the Atlantic world may stem in part from its ambiguous attitude to self help and self reliance, will find much to support that belief in the Mondragon experience.

The author is working with a common-ownership enterprise in Sunderland and has visited Mondragon for the Anglo-German Foundation for the Study of Industry.



## Academic post for design management

A GRANT of £94,000 has enabled Britain's first professorship in design management to be established. The money has been given by the Wolfson Foundation for a chair in design management to be created at the Royal College of Art in London.

Announcing the setting up of the chair—a move suggested on this page last week as being imminent—the Royal College described it as being the first professorship "in this increasingly important area of business and industrial management to be founded in Britain, and perhaps in the world."

The idea of an academic post to develop research and teaching on management of design has for a long time been promoted both by the Royal College and by the Design Council and has been pushed by Sir Paul Reilly as one of his last projects before retiring next May as director of the Design Council.

The move also comes at a time when the Royal College is making strenuous efforts to strengthen its connections with various industries represented by the range of its design disciplines. In this context, Professor Lord Queensbury was appointed by the Royal College a year ago to direct the effort with the advice of an industrial liaison committee chaired by Mr. Oliver Makover and composed of representatives from industry and business concerns from the professoriate of the Royal College.

The next step by the Royal College will be the appointment of a professor of design management. The Royal College would hope that the candidate attracted to this post would be an experienced designer who would also have considerable experience of industry.

It is possible that while the professor would be attached to the Royal College, he or she might also be associated with a few universities chosen for their involvement in both business

studies and in engineering product development. The universities of Lancaster, Warwick and Surrey might meet the requirements although it is still too early to envisage such a move becoming a reality.

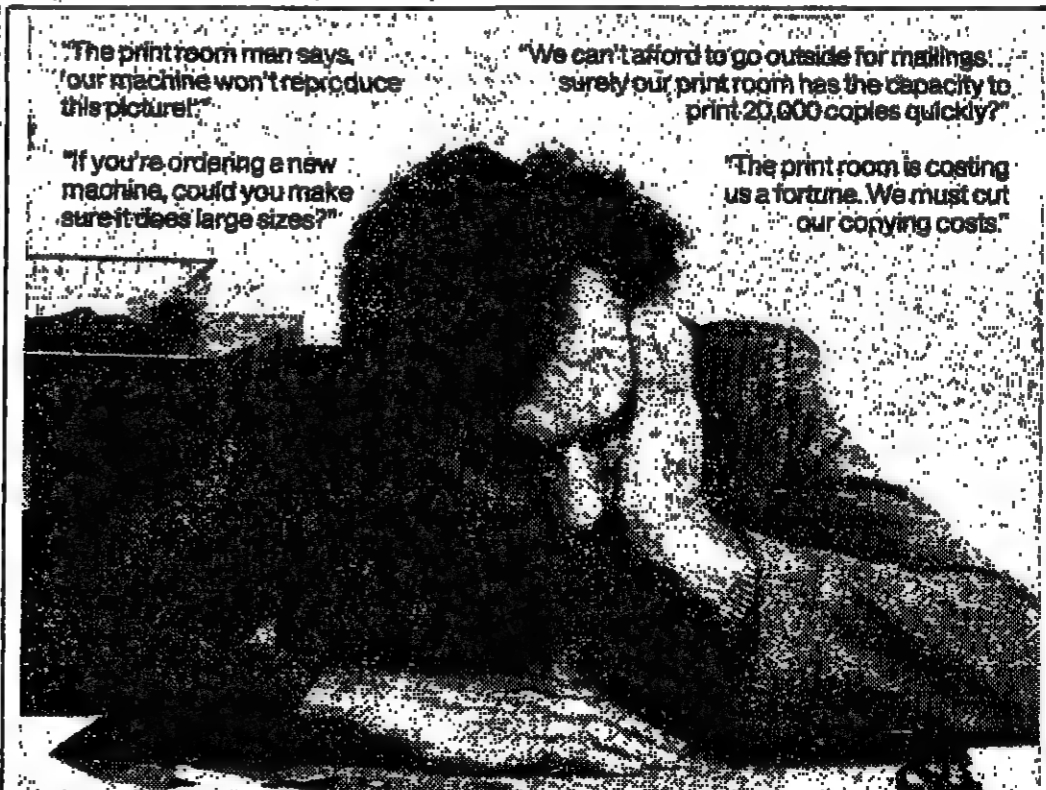
The Royal College feels the subject of design management has been gaining increasingly wide recognition over the past

decade and that the need to study the interaction of the design and the management process to evaluate the contribution of design to business performance has also been widely recognised by industry.

The grant will cover a seven-year period. Should the professorship develop as successfully as envisaged the Royal College

would hope that the chair would subsequently be supported financially by the Department of Education and Science, as are all its other existing chairs.

The Wolfson Foundation has made its donation in line with the policy of its trustees to "help the modernisation of the commercial and economic position of the U.K."

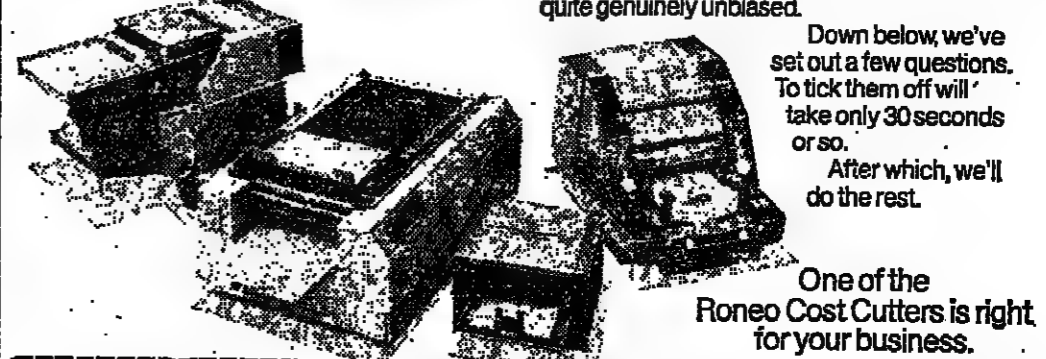


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## U.S. recovery continues

THOSE WHO still express doubts about the strength and durability of the U.S. business recovery base their attitude on the behaviour of particular indicators. First, the rise in GNP during the second quarter was significantly less than during the first. Second, there is little sign yet of a significant increase in capital investment by industry. Third, consumer confidence is still low among lower-income families, who are particularly worried about inflation. Fourth, unemployment remains high by past standards. Fifth, the Federal Reserve has already lowered slightly its target rate of growth in the money supply and given a warning that it will eventually have to be lowered further.

The first of these can be dismissed: the rise in GNP during the first quarter was unusually and unseasonably high. As a guide to the state of the economy in general, the composite index of 11 leading indicators is useful. This rose by 1.4 per cent in May, with six out of the 11 individual indicators higher. So far as consumption and capital investment are concerned, Dr. Arthur Burns, of the Federal Reserve, has suggested that temporary pauses in the growth of the former are normal during the upswing and that the growth of the latter, though admittedly delayed, is now beginning to become visible.

## Inflation risk

These suggestions were made in the course of a review of economic progress at the end of last month, in which Dr. Burns was concerned to emphasise the fact that the pattern of economic recovery at present is similar to that experienced in previous upswings. In the second quarter, he pointed out, total production was about 73 per cent higher than in the same period of 1975 while industrial production has been rising for fifteen months at an annual rate of 13 per cent. The rate of capacity utilisation rose from 76 to 80 per cent in manufacturing industry. One between the second quarter of 1975 and 1976 and in some sectors is already significantly right.

## Three priorities for the BSC

IT IS disturbing that, at a time when the recovery in the U.K. economy is at an early stage, there are already reports of a shortage of steel, chiefly certain strip mill products. To a large extent this is due not to any basic lack of capacity in the British Steel Corporation, but to continuing production difficulties in the strip mills division, with Llanwern in South Wales, the prime culprit. A concerted effort on the part of unions and management to get the maximum output from Llanwern still appears to be lacking: the result can only be a further increase in imports.

## Unreliable

Between 1968 and 1975 the share of imports in U.K. steel consumption rose from 9 per cent to 19 per cent, while that of the BSC dropped from 68 per cent to 35 per cent; the share of the private sector producers was roughly unchanged. Because of the unreliability of the BSC's supplies, many U.K. customers have switched part of their requirements to overseas sources and will not easily be persuaded to switch back again. Even if the production problems are sorted out steel supplies could well become tight in the autumn, as the upswing in the European economy (and in the motor industry especially) gathers strength. It is not clear how much of the pickup in steel demand reflects attempts by consumers to avoid being caught short later or to anticipate price increases, but some over-ordering is probably taking place. The BSC's prices, at least for some strip mill products, are below world market levels at present, but this will presumably be corrected before the end of the year.

Any attempt by the Government to hold BSC prices down would not only be contrary to EEC rules, but would also have the effect of artificially boosting demand and thus adding to the supply problems. In the meantime the long-term problems of the Corporation remain to be dealt with.

## Investment

There are three priorities facing the BSC to-day. The first is to produce more steel out of existing works. The second is to press ahead with plans to bring new plants into line with world competition. The third is to finalise with the Government and the unions the details of the capital investment programme. Progress on all three fronts is disappointingly slow.

Australia faces a national strike on Monday. Kenneth Randall reports on the Government's troubles.

## The Australian unions challenge the Fraser coalition

FOR THE THIRD time in a mere seven months in office, Mr. Malcolm Fraser's Government in Canberra is headed for direct confrontation with the trade unions and apparently is relishing the prospect.

The Australian Council of Trade Unions has called for a national strike next Monday which, if wholly effective among its own affiliates, would cause a loss of \$4100m. (about £70m.) in wages alone. In fact, it will not be wholly effective. Some of the bigger right-wing unions have already announced their opposition. But it will cripple the normal operations of business and commerce.

The cause of dispute is not an industrial issue, but Medibank, the proudest memorial of the Labor Government led by Mr. Gough Whitlam until its ignominious sacking last November by the Governor-General, Sir John Kerr, and its subsequent crushing defeat at the December elections.

Medibank was devised by Labor as a universal system of health insurance coverage for both doctor and hospital treatment. It was to have been financed by a flat levy of about 1.35 per cent on incomes but when a hostile Senate threw out that proposition, the Labor Government went ahead, anyway, providing the necessary funds from general revenue.

Now, the Government has decided to scrap the original concept of universality. It has gone back to the idea of a levy, but with variations which have the effect of providing a strong disincentive for many middle-to-higher income earners to stay within the scheme. In the view of the ACTU and the Labor Party, the fundamentals of the original scheme will be destroyed by the changes. Although the lowest income groups will still pay nothing for their coverage, the majority of workers will pay more for a combined Medibank and private insurance cover.

Any objective observer would find it difficult to believe, however, that Medibank was the whole question at issue. In a wider sense, the call to strike is a protest against the demolition of Labor-created welfare measures. And in wider sense still it can be taken as a show of the frustration felt within the Labor movement at most things the Fraser Government has done, including, perhaps, winning an election dictated by the Governor-General.

More and more since last year's change of government, the effective role of opposition has seemed to move from the demagogic Parliamentary Labor Party and its leader, Mr. Whitlam, to the union movement and its abrasive and charismatic head, Mr. Robert Hawke, who also happens to be

National President of the Labor Party.

A sizeable section of Left-wing union leadership is already looking to Monday's strike as the beginning of regular political action in the industrial field. They have talked this week of rolling strikes and sectional stoppages in industry to demonstrate opposition to the Government in general and on specific issues.

Mr. Hawke is not committed to that view but is hard pressed to oppose it openly. Mr. Fraser and virtually his entire Ministry are doing their best to make a difficult position impossible for Mr. Hawke. In recent days, they have issued a spate of denunciations of him as a "tool of the Left," "irresponsible," a creator of further unemployment.

If the strike is an obvious success, its economic cost will be charged to Mr. Hawke. If it fails, the Government spokesmen are ready with the charge that Mr. Hawke has been repudiated by his own constituents. Either way, the tactics are aimed at limiting Bob Hawke's political future as well as gaining shorter-term capital.

## Mr. Hawke's ambitions

Mr. Hawke's unannounced decision to remove his talents from the trade union arena to Parliament at the first suitable opportunity is now common knowledge. It is not so widely appreciated that his difficulties in creating that opportunity are proving far greater than was expected. But the reaction of political opponents can certainly be seen in one sense as a back-handed compliment.

Each side blames the other for provoking the present situation. "There can only be one national Government in Australia," Mr. Fraser declared on Tuesday, "and it is not the ACTU." Mr. Hawke's response is that the Medibank actions represent another broken promise which can only bring strong reaction. The charge strikes an increasingly raw nerve within the Government. The list of pre-election undertakings now abandoned or held in limbo because of "special circumstances" or the need for "flexibility" has reached embarrassing length. In the particular case in question, it is quite true that Mr. Fraser promised there would be no basic changes to Medibank.

His stated reason for reneging on the promise was the mounting evidence, once in Government, that the scheme would cost too much. Most recently, the changes have been argued in terms of providing the people with choice—a line indistinguishable from that of the private health funds and the majority of the medical profession.



Prime Minister Fraser (left) is being challenged by Mr. Hawke, the trade union leader (centre). On the right, Mr. the Treasurer.

Until a week ago, detailed negotiations were going on between the Government and ACTU officials to find a compromise that would ease the pressure of Medibank on the budget without changing its essential concepts. The unions actually sponsored proposals that would have raised more money than the Government's measures. But after raising high expectations, the talks came to nothing.

The raising of excessive expectations has been a constant problem of the Fraser Government. Some sections of the Australian community—most of them, it must be said, in the business community—had exaggerated ideas about what the change of government would, and could, mean in the short term. But most of the problem has been of the Government's own making.

Mr. Fraser's Liberal Party and National Country Party Coalition has not provided the team of natural managers and the structured decision-making that he promised. In the biggest decisions, the Cabinet has tended to be pre-empted by the so-called "leadership" group—Mr. Fraser and the Deputy Liberal Party Leader, Mr. Phillip Lynch, the Treasurer, the NCP leader, Mr. Douglas Anthony, Minister for National Resources, and his deputy Mr. Ian Sinclair, Minister for Primary Industry.

Mr. Fraser has not been able to re-order the administrative machinery as extensively or with the speed that he had hoped for. His imposition of arbitrary staff ceilings in the public service has, in fact, created acute bottlenecks in some areas of policy-making.

The critics of the Labor Government's free-spending poli-

cies are now having serious second thoughts about the Fraser-Lynch determination to move as far as possible in the other direction. In a series of pre-Budget meetings with business organisations last week, the Government heard a near-unanimous view that cuts in public sector spending had gone far enough. Instead of giving the private sector "room to expand" they were becoming a depressant.

There are just as many doubts now about Mr. Fraser's "New Federalism"—a policy that was supposed to return to the State Governments more responsibilities and more of the resources necessary to fulfil them. With the recent election of a Labor Party Government in New South Wales, the biggest State in economic terms, Labor now holds office in three of the six States and the criticisms of federalism have become much less restrained.

There has been no clear evidence of a halt to the rising trend in unemployment and only tentative signs that the economic recession has bottomed-out. Investment and consumer spending remain sluggish. The balance of payments outlook has turned down. Pressures for devaluation have increased. Little more than a month before the Government presents its first Budget to Parliament, there is a distinct impression of uncertainty about what to do next. Defining its objectives in terms of lowering inflation, controlling the deficit and restoring stability no longer seems to be enough and the business community, in particular, is demanding more in the way of specifics.

Their most frequent demand of late has been for action on wages. They were followed by a series of frank and, apparently, promising meetings between the leaders of both sides and their technical advisers. Those talks ended with the Government accepting in effect that it would have to offer more in the Budget—probably by way of concessions in indirect tax cuts—to make a deal saleable to the unions. In the atmosphere of this week's confrontation, the effort seems to have been wasted.

## Indexing taxes

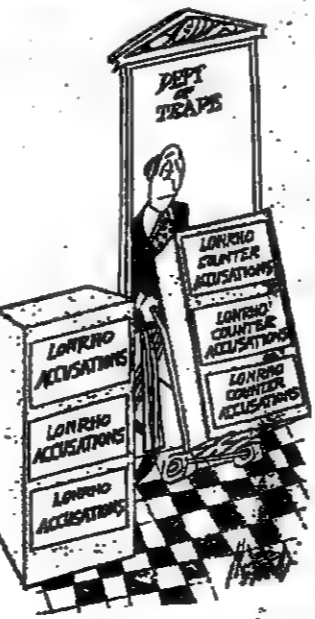
The tax indexing measures in May were part of a mini-Budget package which included substantially increased family allowances and were aimed at securing some sort of agreement with the unions on wage restraint (neither side would call it a "social compact"). They were followed by a series of frank and, apparently, promising meetings between the leaders of both sides and their technical advisers.

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## MEN AND MATTERS

## Good old Smith!

I think my friend Smith has served his turn manfully, but a reader offers the following Arab version on the same theme. One sheikh is boasting to another about the way he entertains his guests in his own Boeing jet with his harem performing the dance of the seven veils. "Ah," replies the other, "in my Concorde there is only time for the dance of the four veils."



## Banking rethinking

Designing a new structure for the Franco-Arab UBAF group of international banks has been high on the agenda for the meetings of directors taking place in London this week. Dr. Mohamed Abushadi, head of the Paris-based organisation, explains that the growth of its affiliates requires a new arrangement, probably involving setting up a new holding company at the top of the present loose group.

The origin of Union de Banques Arabes et Francaise goes back to a political gesture in 1970 in recognition of Franco-Arab friendship under the De Gaulle regime. The bank was set up as a partnership between Crédit Lyonnais and Arab banks with the aim of arranging medium and long-term loans.

Abushadi, chairman of the National Bank of Egypt before moving to UBAF, says however that since its inception the group's operations have been purely private and commercially based. It still attracts a large amount of Arab funds—though the proportion has dropped from around 80 per cent in its early stages to 50 per cent—but the chairman says that it has to pay

operating units linked by the common shareholders and a group philosophy.

Over 90 directors of the various banks have been in London this week for Board meetings and to talk about the direction of future development. Abushadi says that one important growth area is likely to be in tapping Britain's technological expertise in offering advice and services in relation to major project developments.

## Odd note

Banking of a different nature: a unique £1,000 note which should never officially have left the Bank of England is to be auctioned at Sotheby's next week. The note is a trial proof dated 1858 and is in the possession of the descendants of C. T. Whitwell, a chief cashier at the Bank in May of 1858, who signed the proof and took it home as a souvenir on his retirement.

The Bank has allowed the auction because of the age and interest of the note to collectors. Since it was never intended to be legal tender it has been twice overvalued "not genuine," but is still expected to fetch well above its theoretical nominal value.

## Good old DOE

My thanks again to DoE World, the magazine of the Department of the Environment, and a frequent source of snippets. The July edition just published contains a couple of gems. For example there is the defence of civil servants' image by Sir Ian Bancroft, the Department's Permanent Secretary. "Both civil servants and local government servants run the danger of being cast as stereotypes with briples and bowlers. This is as we know, pretty ludicrous. Two-fifths of

the non-industrial civil service are in fact women."

Later in the magazine there is a stern warning that with postage costing the Department nearly £7.5m. and telephone bills more than £6m. there will have to be economies made. Of the 20 small ads carried in the mag, no less than 16 give work telephone numbers and/or addresses as contact points.

## and keeping cool

While Sir Ian is worrying about briples, it is not only people who are seeking shade from the heat wave. Computers are even more sensitive beasts, liable to turn eccentric if the temperature of their environment varies more than a few degrees. With air conditioning systems often not geared to cope with the recent heat special measures are required. At Lloyds Bank's computer centre in Cannon Street, the bank has been forced to put up a canopy on the roof in an attempt to shield its machinery from the worst of the sun.

## All volunteers?

We might see some dramatic results if our own Office of Fair Trading adopted the same attitude to voluntary codes as the South Korean Government. The June issue of Tobacco Reporter states, "The South Korean Government has launched a programme to eliminate foreign language words from advertising and daily usage in the country's media. Languages most affected by the programme are Japanese and English. A government official said the programme is voluntary, but added that violators after the August 4 target date will face a maximum of 29 days in jail if signs are not Koreanised."

Observer

## BRITISH &amp; EUROPEAN PROPERTY

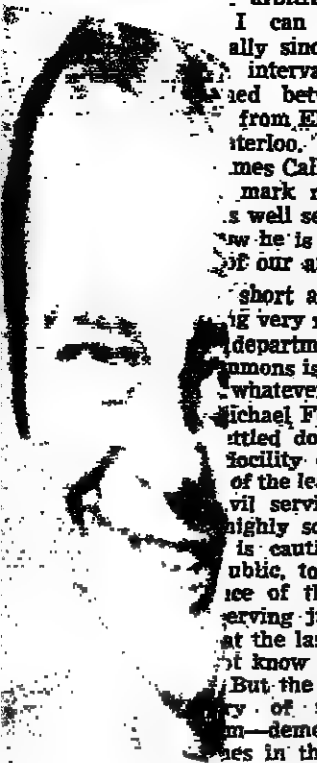
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# Callaghan's call for effort and virtue



Lord Watkinson, President of the CBI, Mr. Callaghan, and Lord Allen, Chairman of the TUC Economic Committee (from left to right), announcing this week's agreement on an industrial growth strategy.

like to concentrate on one thing is naturally better suited to a Chairman's role than to a Man- slowly and painstakingly by aging Director's, for it is forced officials in "teach-in"; he does by its own limitations to take an not read more than a can avoid. overall view, to conserve its strength, and to put its weight upon, and through the proper channels, he is irritated by. As another official puts it "You could always get a decision out of Harold in the corridor on the way into a meeting, if anything cropped up at the last moment. Jim says 'why did not you raise this at the briefing?'"

This trait robs him of some flexibility; and if Sir Harold Wilson's besetting limitation was shortness of vision, Mr. Callaghan's is probably narrowness of vision. On the other hand, there are compensating advantages. One is that when his mind is fully engaged on a problem, as it is at present on the economy, he refuses, unlike Sir Harold, to admit distractions. The second is that in the effort of simplification his mind fastens on to essentials and he is not easily taken in by specious arguments and clever tactical points.

Another compensation is that he is prepared to listen to the advice not only of officials, but of colleagues. Sir Harold Wilson became better at delegating as he got older, but he never ceased to believe that his quickness gave him a mastery of the subject in hand quite as great as that of a Minister who had studied it for weeks, and his phenomenal memory fed the illusion. Mr. Callaghan uses the telephone not, as Sir Harold did, to harangue other Cabinet members or to invite their encouragement and admiration, but to receive instruction from them. The change is as gratifying to his colleagues as it is astounding. This is a cast of mind which with him.

newspapers, let alone which Mr. Callaghan has got his hands on the controls has been remarkable. I can never imagine, I say, since the most celebrated interval of this length deal with the trade unions. This from Elba and the battle of Waterloo. However, since Mr. Callaghan passes the mark next Monday, we will seize the excuse to say he is getting on at the of our affairs.

short answer is that he is very nicely, thank you, the House is eating out of his hand whatever it is doing with Michael Foot's Cabinet. The House is eating out of his hand whatever it is doing with Michael Foot's Cabinet. The House is eating out of his hand whatever it is doing with Michael Foot's Cabinet.

the pre-1969 situation. The National Executive is still Left dominated, but its pretensions to control Government policy have been defied. The Left in Parliament has been firmly told either to bear the responsibility of bringing in Mrs. Thatcher or to shut up. The Left in Cabinet—which is now, to all intents and purposes, Mr. Wedgwood Benn—has been successfully quietened with a mixture of avuncular flattery and courteous menace. All this does not entirely remove the danger of a maverick Tribune revolt or two, but it reduces the problem to the proper proportions.

House of Commons, Mr. Michael Foot, at exactly the same time as a new and relatively inexperienced Chief Whip, Mr. Michael Cocks; but it is not yet clear exactly how expensive a mistake this was. A cynic might say that a man of Mr. Callaghan's views is not going to lose much sleep if the Aircraft and Shipbuilding Bill or the Pay-beds Bill or other manifestations of left wing dogma fall by the way. The great thing is to be seen to be striving for Socialism even if one is foiled by the Forces of Capitalist Darkness. On the other hand the Government has very little room for manoeuvre in the House of Commons and in an atmosphere of permanent frustration and confusion some serious legislation as well as some credibility in the country could well be lost.

The net result of all this has been to lift the spirits of a small circle of insiders but as yet to leave the Government's overall standing pretty much where it was three months ago. Civil servants and senior ministers can sense a new feeling of resolution at the centre. The public still sees wrangles at Westminster and the same unpleasant prospect of high unemployment and reduced standards of living. The question is therefore whether confidence is from now on going to spread outwards, revitalising the whole whether it is doomed to peter out, as it has so often done before.

The Prime Minister's own style is the key to this. For whatever may be argued about the collective responsibility of the Cabinet—and it is still a reality—it is the Prime Minister who sets the tone of the administration and around whose personality and working methods the central machine adapts itself. The subtle and not-so-subtle processes by which all this is transmitted to the country—by gossip, by television and newspapers, by visible results—are neither here nor there. The fact is that sooner or later the public—electors, investors, consumers, workers—are profoundly affected by the individual peculiarities of the occupant of 10, Downing Street.

What sort of a Prime Minister, then, is James Callaghan? First, he is, by comparison with Sir Harold Wilson, decidedly slow. One senior official describes him as a "plodder." This is a limitation with which he has learnt to cope by methodical means. He

## Letters to the Editor

### now-how or sale

Mr. A. H. Butler.

—Offshore Supplies Office just confirmed that British share of the North Sea equipment market has increased. Export opportunities for North Sea oil assets are seen as the twin bases for national economic recovery. I am afraid that industry the trade unions are waiting time if they imagine that noticeable improvement in U.K.'s balance of payments unemployment figures will come from an attempt to increase the direct sales of British steel ironmongery to the national offshore oil and gas et. The poorer developing nations, correctly determined, provide jobs for their own unemployed and the rich oil producing countries (Kwazulu for example) are correctly determined to create their own infrastructure. We must with them to achieve their aims, or else the Japanese, the Italians and Dutch will be us to the market.

the best way in which our service of payments and unemployment can be improved in action with the world off-equipment market is to do something which does not depend on costly imported raw materials, namely, to increase knowledge in manufacturing industry. Unfortunately, there are people in this industry who honestly believe that have less manufacturing know-how than most of our people. But in truth, our people travel abroad to realise British technicians on the floor, the drawing office and research lab (and even shop managers in certain cases) are unrivalled throughout the world. The developing countries particularly can use

### ritish Leyland products

Mr. John Barber.

Two related issues raised by Mr. Dodsworth and Geoffrey in their outline of British and product opportunities (30) need careful thought as decisions will be very expensive for us. The placement of the Mini was a very high priority in the Ryder Report on a number of rounds among which profit, notably absent. BL starts it a disadvantage in the fact of a car at the in the low profit bottom end of the market because, as the largest car manufacturer in the world, it has only about the production capacity of all of its competitors. Plans for infusion of public money to change this situation to a Mini replacement cannot much more than half the production volume of major competitive models.

no way can be found to the higher unit costs due to lower model and total volume design costs, higher as or other means the Ryder recommendations should be considered. It would be wrong to add that the management of the taxpayer—with a plan because it has appeared a quickly prepared official report, am not advocating the drop of the Mini replacement but only saying that no financial has been made for it yet. Companies with a production capacity of 2m. cars a year need to be in the bottom sector to give their volumes. It does

this expertise. We should concentrate on selling it and invest in it by setting up manufacturing joint venture enterprise in those countries. The exports of our own higher-added value products will follow, and in that way our own employment position and prosperity will improve.

Managements who wish to succeed in this way must take the same analytical worldwide view of their manufacturing locations as they do of their markets. We have to learn to accept that in these markets the U.K. Government has a major part to play, leading Government negotiations and creating conditions where we can be. The National Enterprise Board and OSO are now showing how it can be done. In most cases the successful ventures will have only a minority U.K. shareholding, but nevertheless the money from the inevitable exports will flow back into this country and our workforce will gain increased employment from the high value elements we shall continue to export.

Hans Boller, Orr and Bogs and Partners, 62, St. Martin's Lane, W.C.2.

### Standards? Rubbish!

From Mr. W. Goodie.

Sir—As industrial training officers in the electronic engineering industry involved in selecting and training people over a wide range of ability, operator to post-graduate—my colleagues and I were pleased to see Michael Dodsworth (Standards Rubbish!, July 5) demonstrating the irrelevance of academic examination results.

For more than a decade now, we have paid little attention to such results, except when they provide the necessary entry ticket to another academic course. Instead, we have used

not follow that BL at half the size has to have a loss (or minimal profit) leader in the same way.

The conclusion on the second issue in the article that for practical reasons BL has to stay in the volume car business is, I believe, beyond dispute. Having said this the risk is that BL will attempt to match the much bigger companies in all ways. It does not seem to be understood that the volume car market is not a simple homogenous whole—there is an almost infinite gradation of size and price. A company has to give considerable thought to just where and how it can best compete. It is much more subtle than being in the volume car business or out.

The bigger companies have to cover a high proportion of market requirements but BL at half the size might well find that its plus sales are better supported, to the advantage of both profit and employment, by concentrating its rationalised model range of 3-4 basic designs (5-6 quite different cars to the customer) and a separate Jaguar in, say, 80 per cent of the market. The right price and quality niches then have to be found. These product matters, from my experience of the development of a new Rover and the Princess, will require close involvement of the I kept a breeding herd of 20 sows and the decisions will be the most crucial to BL's success that they have to take. John Barber, Copthall Green House, Highgate, Essex.

a much-neglected British battery of psychometric tests—the Morisky Differential Test Battery. Used correctly, this enables an astonishingly accurate estimation of mental capacity, direction of talent and whether the test subject is likely to apply those talents in various prevailing task situations.

The DTE, like much else of great significance developed in this country, shows signs of being more highly regarded elsewhere. Adopted nationally within the educational system, its proper use could spearhead a dramatic resurgence of the U.K. W. A. Goode, 84, Abbots Road, Abbots Langley, Watford.

### Standardised commission

From the Deputy Chairman, M. and G. Group.

Sir,—In his article on the new life assurance commission arrangements Mr. Eric Short (July 3) says that "the big weakness is that the new scale does not apply to direct sales forces of life companies."

This comment illustrates once more, I fear, the persistent fusion between two fundamentally different situations, the difference being regrettably obscured by the use of the word "commission" in both instances. A prospective policyholder dealing with the salesman of a life assurance company has no justification for assuming that the salesman is acting for anybody but the company, and he should not therefore be in the least interested in the nature or scale of the salesman's remuneration; all he needs to look at are the terms of the policy. A prospective policyholder who employs a broker (or other intermediary), on the other hand, is entitled to assume that the broker is acting for him, and it is therefore obviously important for him to know if the broker has any interest in recommending one policy rather than another company's.

One answer, as Mr. Short rightly says, would be for investors to insist on knowing how much commission is being received by intermediaries. In practice, however, very few investors indeed will do this, and the real answer is therefore that all commission scales should, so far as is possible, be both standardised and disclosed. The Life Offices Associations have done their best to achieve standardisation but, in the absence of unanimous support from the industry, have not entirely succeeded. My own group has been campaigning for years both for standardisation and for disclosure.

E. W. I. Palamoutian, Three Queens Tower Hill, EC3R 6BQ.

### Pig farming problems

From Mr. B. Woods

Sir,—In the article "Pig farming in the doldrums again" (July 6) you ask if farmers want to feed firms effectively to control the prices of pigs and feed. I kept a breeding herd of 20 sows during three consecutive years up to June 1975 and during that time the herd performance was substantially constant. The net trading profit during the first year was approximately £1,000, during the second year was nothing and in the third year the

loss was equivalent to the first year's profits. This variation was entirely due to market forces outside my control. It is obvious that some orderly method of product marketing would greatly benefit pig keepers generally, and as the Government merely manoeuvres prices for political purposes, this stability must be achieved by a group of pig producers controlling the substantial proportion of the market. If this has to be done by large feed compounders then this must be a good thing.

Already approximately half the British market is effectively controlled by one organisation, that is, the Danish Bacon and Pork Exporting Organisation and until there is similar discipline within our own supply network, stable and profitable prices will not be achieved. B. J. Woods, Lodge Hill Farm, Ashby, Thirton, Devon.

### Tax upon tax

From Mr. D. Wolfe.

Sir,—Mr. Atkinson (July 5) should not think that petroleum retailers alone have tax upon tax imposed on their product. Wine, too, is subjected to this iniquitous system and in the case of "plonk" VAT at 8 per cent is applied to Excise Duty of more than 49p per bottle—well over 50 per cent of the price of the cheapest bottles.

For spirits the case is even harder. The duty on a bottle of normal strength whisky is £2.85—no less than 31 per cent of the VAT exclusive price; and 23p is levied on the duty alone.

The conclusion is a sad one: petroleum and alcohol are indeed kindred spirits. David Wolfe, 13, Greycoat Gardens, Greycoat Street, S.W.1.

### Control of credit

From the General Manager, Trade Finance Division, Goode, Durrant and Murray.

Sir,—I have been following with considerable interest the lively correspondence in your columns on the subject of debt factoring and credit control.

Mr. Forman (July 7) stresses the expertise which the factor can offer but many companies already have sophisticated credit departments and are unwilling to hand over control of customers' accounts to a third party. Mr. Woods' letter (also July 7) has hit the nail on the head with its comment "For heaven's sake let's get the money moving." But co-operation of the sort which he envisages is likely to be a lengthy process and with all the signs indicating an upturn in the economy, for many companies the question of liquidity is more immediate.

Until Mr. Woods utopian state of affairs arises, invoice discounting is perhaps the best way of getting the money moving. This facility, unlike factoring, concentrates solely on the provision of an accelerated cash flow through the sale of book debts, confidentially. The company only sells sufficient book debts to satisfy its need for cash and the status of credit control throughout.

## To-day's Events

**GENERAL**  
Central Government financial transactions, June (including borrowing requirements), published by Treasury.  
Session of European Parliament ends, Luxembourg.  
Conservative Party conference on industry, Solihull, Warwickshire.  
Mr. Terence Price, secretary-general, Uranium Institute, is guest lunch speaker at second annual day of Financial Times on Direct Elections to European Assembly, Nuclear Power and the Public Interest—the Implication for Business, Royal Lancaster Hotel, W.2.  
**NATIONAL UNION OF MINERS** conference ends, Douglas, Isle of Man.  
Lord Kearton, chairman, British National Oil Corporation, opens new headquarters of Institute of Chemical Engineers, Rugby, Leics.  
**PARLIAMENTARY BUSINESS**  
House of Commons: Debate on first report of Select Committee on Direct Elections to European Assembly, 11.15.  
**OFFICIAL STATISTICS**  
Personal income, expenditure and savings (first quarter). Gross domestic product (first quarter—revised). Construction new orders (April).  
**COMPANY MEETINGS**  
Beales (J.), Nottingham, 12.  
Barr and Wallace Arnold Trust, Leeds, 12.  
Goldberg (A.) and Sons, Glasgow, 10.30.  
Asiatic Rubber, 1/4, Great Tower Street, E.C.3.  
N.M.C. Investment, 25/25, City Road, E.C.1.  
Newman Industries, Bristol, 11.15.  
Weeks Associates, North-Humbrook, 12.  
Westrick Products, Exeter, 12.  
**SPORT**  
Cricket: Third Test (second day), England v. West Indies, Old Trafford. Golf: Open championship, Birkdale. Tennis: Davis Cup, Great Britain v. France, Eastbourne. Equestrian: Hickstead summer meeting.  
**BALLET**  
Royal Ballet dance Rituals, A Month in the Country, Thais (pas de deux), and Elite Syncretisms, Covent Garden, W.C.2, 7.30 p.m.  
Scottish Ballet perform La Sylphide, O Caritas, and Sonate a Trois, Coliseum Theatre, W.C.2, 7.30 p.m.

# What's in a name?

Think of the Investors Chronicle.

Apparently a magazine solely for people who need to keep a close check on their investments. Indeed, this is an essential part of the magazine's job. But only a part. For example, this week's issue includes articles on:

The Lornho Affair—we examine the Dept of Trade report and its effect on British business.  
Companies in Liquidation—the IC looks at the multi-million pound jumble sale resulting from companies in liquidation.  
NEDC—we assess the value of this week's meeting.

Each week you'll find the IC regularly covers property, industry, Government policy and the economy, the outlook for business, changes in taxation, commodities, world energy, banking, currency, mining, the money markets, new accounting methods, and your personal finance problems.

And, of course, the London and world stock markets. In short, the IC is a weekly magazine designed to meet the essential needs of businessmen and senior managers directly concerned in the running of their company. It keeps them in touch with what really happens. The economy, their competitors, customers and suppliers.

And you thought the IC was just an investment magazine! Buy your copy today from your newsagent.

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## COMPANY NEWS + COMMENT

## United Gas moves ahead to £1.2m.

AN INCREASE in profits before tax from £582m to £1.16m is reported by United Gas Industries for the year ended March 31, 1977. Sales rose from £27.14m to £33.83m.

Stated earnings per share have improved substantially from 2.1p to 4.1p before extraordinary items and from 0.5p to 4.1p after such items. Fully diluted, the figures are 5.3p against 2.4p.

In view of the earnings improvement, the directors recommend a net final dividend of 1.8813p making a total of 2.0313p compared with a single 0.1223p final previously.

First half profits had risen from £220,000 to £382,000 and the directors said the improvement trend was continuing.

	1973	1974
Sales	27.14	33.83
Profit	582	1160
Interest	406	487
Profit before tax	1356	2222
Extraordinary items	647	251
Net profit	1803	2473
Extraordinary dividend	127	127
Preference dividends	90	90
Ordinary dividend	127	127
Retained	1803	2473

\* Reinvestment of Government profits.

## ● comment

A strong performance in France and Germany more than offset the reverses suffered by UGI in the U.K., to put full-year pre-tax profits 41 per cent ahead. U.K. trading profits fell 23 per cent, due primarily to a fall in demand for thermostats and poor sales of industrial meters resulting from the unexpected delays in the flow of further North Sea gas. Any significant improvement in U.K. sales will have to wait until late 1977 when natural gas starts flowing on a large scale. Meanwhile, from there has been some recovery in sales of thermostats. With demand for a wide range of products in Germany and France remaining buoyant, group profits should still see a useful advance in the current year. Looking further ahead, there should be substantial benefits accruing to the German subsidiary over the next two years from its £5.6m. Russian contract for gas pipeline stations due for completion in 1978. At 50p, the p/e is 4.7, and the yield 10.8 per cent, covered three times.

## DOUGLAS ESTATES

Douglas Estates, subject to Bank of England approval, to offer to acquire the outstanding shares of Isle of Man Associated Investment at 50p per share.

Isle of Man Associated Investment, a subsidiary of National Westminster Bank, has confirmed that finance sufficient to satisfy the offer in full is available.

## BELGRAVE (BLACKHEATH) LIMITED

Manufacturers and Merchants of Engine Valves, and Electrically Operated Forgings for the automotive, agricultural, mining and machine tool industries. Hot and cold forged fasteners for all users.

DIFFICULT TRADING CONDITIONS  
AFFECT RESULTS

The 37th Annual General Meeting of Belgrave (Blackheath) Limited was held on July 8th in Birmingham, Mr. C. H. Pittaway, B.Sc., the Chairman, presiding.

The difficult trading conditions which we experienced last year have continued and we have had to work very hard to keep full-time working. We have done this, but it is disappointing that we were not able to advance our group profit. The final results show profit to be £216,000 which is a reduction compared with last year (£235,934). It covers our dividends, and still allows a margin for a moderate advance without dipping into reserves. The Directors therefore recommend an ordinary dividend at the rate of 2.6 pence per share (2.4p last year).

Our active subsidiary, G. & A. Finney, has continued to do reasonable business in selling factory requirements and machine tools, and has made a useful contribution to the Group profits.

Competition has been serious and pressure on prices has been maintained throughout the period, especially in the motor industry where a large proportion of our products are used. Efforts have been made to penetrate new fields and we have so far managed to achieve a limited measure of long term success in this direction. We have experienced certain resistance to direct exports to the Common Market.

It has been necessary for us to trim and streamline our work force during the past year, resulting in a younger supervisory team, all promoted from within our organisation. There is at Belgrave a good spirit of willingness, with both management and operatives working diligently together in pursuing our tasks, firstly, finding new needs and uses for our products, and secondly, by organising more efficient production consistent with good quality and accuracy.

Finally, it remains to thank all those in the organisation for their loyalty and perseverance and to express my confidence in them and their ability to fight back along the path to a worthwhile return for all our efforts, which with the modest improvement in trade is within our grasp.

BELGRAVE WORKS • HALESOWEN • WEST MIDLANDS



Concrete and Structural Steel Engineers, Builders  
Suppliers, Plant Distributors and Contract Hire.

## 'Continued Progress in 1975'

	1972	1973	1974	1975
Net Sales	£400	£600	£600	£600
Group Profit before Tax	411	693	536	827
Taxation	167	285	306	500
Group Profit after Tax	244	408	230	327
Earnings per share	10.7p	13.2p	9.8p	13.4p

\* After scrip issue

Extracts from the circulated statement of the Chairman, Dr. D. B. McNeill:

● The company had a good year and a total dividend of 2.8504p is recommended, the maximum permitted.

● Profit in the Plant Division did not come up to expectation and steps have been taken which should improve the return from this part of the business. McNeill Engineering and McNeill Ireland recently obtained agencies which should make a useful contribution to the performance of the Plant Division.

● The sale of products manufactured in your Structural and Building Services Division was most satisfactory. Excellent results have been achieved by all departments of the Concrete Division; fabrication of structural steelwork at Sonth Mills and Portadown Foundry has produced very satisfactory sales and profits, and the results in the Sign Department were extremely good.

● The trade recession has now reached its nadir and it is unlikely that the rate of growth will be continued in 1976, but steps have been taken to meet the challenge and keep the Group in a state of readiness to take full advantage of the revival in trade when this comes to Ireland.

Copies of the Report and Accounts are obtainable from the Secretary, 78 Duncannon Street, Belfast BT3 9AZ.

## HIGHLIGHTS

Imperial Group's first-half profits are well up thanks to the foods division and the second half should be no less than the comparable period of last year. Profits at Redland are nearly £3m higher reflecting a sharp upturn in the U.K. and the current year should benefit from the overseas recovery which is now coming through strongly. Lex also covers Town and City Properties which has asked shareholders for approval to increase its borrowing powers following pressures arising from the weakness of sterling. At United Gas the strength in the U.K. while Greene King has bucked the industry trend in the second half with overall profits some 38 per cent higher.

## Howard Machinery in profit

WITH THE bulk of earnings coming from overseas companies, profit before tax of Howard Machinery was £286,000 for the six months to April 30, 1976, compared with a loss of £325,000 in the previous comparable period. The company's turnover up from £25.91m to £32.11m, included a contribution of £13.65m (£9.08m) from overseas subsidiaries. The company specialises in the manufacture of farm equipment.

The directors report that U.K. sales have been buoyant and it is expected that all units of Howard Machinery Co. U.K. will be trading profitably by the year end.

The interim dividend is raised from 0.93p to 1.045p net—last year's total was 3.03p on enlarged capital from profits of £2.65m.

	1975	1976
Sales	25.91	32.11
U.K.	1.29	1.30
Overseas	13.65	9.08
Factored products	1.80	1.80
Interest	884	725
Profit before tax	286	286
Minority interest	877	877
Dividends	261	261

● comment  
Howard Machinery has recovered from the trauma of 1975, but pre-

## £0.78m. by Braham Millar

COMPARED with the forecast of not less than £50,000, mechanical engineers, Braham Millar Group reports pre-tax profits of £78,596 for the year ended March 31, 1976, against £51,500 in 1974-75. Turnover increased from £4.98m to £6.35m.

The net final dividend is the expected 1.48p on increased capital making a maximum permitted 2.03p compared with 1.52p previously. A scrip issue is also proposed, on a two-for-five basis.

Stated earnings per 10p share have risen from 4.5p to 5.3p.

The year's profit is after depreciation of £63,258 (£37,804) but before tax of £620,396 against £268,994. The directors say turnover is being well maintained at present and the inquiry level is encouraging, profit margins however are under increasing pressure due to intensifying competition.

● comment

There was some slowing down in the second half at Braham Millar, with profits up nearly a third against a doubling in the first half on sales up by 18.7 per cent. Again, the story was growth in exports, so that 56 per cent of total turnover was overseas, three-quarters of it in the Middle East. On the home side, there was some improvement in demand and more enquiries are continuing to come in. The current year started well, with a £2m order from Qatar. But the climate in the Middle East is becoming increasingly competitive, so that margins could suffer.

At 42p (up 4p) the yield is 7.9 per cent and the p/e is 6.2.

● comment

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## Greene King on target

IN LINE with the April forecast, brewery group, Greene King and Sons reports pre-tax profits of £2.77m for the year ended May 2, 1976, compared with £2m in the previous 53 weeks. Turnover improved from £20.24m to £26.19m.

The net final dividend is the expected 4.442p on capital increased by a rights issue, making a total of 5.85p compared with 4.2763p previously. Earnings per share in the year ended May 2, 1976, compared with £2m in the previous 53 weeks. Turnover improved from £20.24m to £26.19m.

tax profits are still 30 per cent below the level of 1974. Since that boom year, demand has fallen while capacity has doubled, leaving the net margin at 2.6 per cent compared with 5.2 per cent. Normally, the second half provides more than two-thirds of the annual profit, but the drought in Europe will make farmers less willing to buy new machinery. In the longer term, demand should eventually meet the increased capacity, meaning that large stocks are still a major drag on profits.

—If interest at 12 per cent were paid on them, the cost would be over £2.3m. p.a. (to put this in perspective, the 1975 full-year profit was only £2m.). The shares fell 4p to 50p after the results were announced.

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Greene King's 384 per cent pre-tax rise (as forecast with the rights issue) shows an even bigger increase in the second half than in the first. The 1975 full-year profit was only £2m.). The shares fell 4p to 50p after the results were announced.

Also against the national trend, wine sales held up by benefiting from increased business in G.K.'s houses. The current half-term figures in the current year, suggesting that cash flow will keep borrowings down this year in spite of the continuing heavy expenditure programme.

After the rights issue, short-term debt was reduced to almost nil. After a 3p rise to 180p (a new high for the share yesterday), the share yield 4.8 per cent.

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## VINERS

Viners, the Sheffield based international group manufacturing stainless steel and silver plated cutlery and tableware, announce the following results for the year ended 31st December 1976.

	1976	1974
Group turnover	£9,066,873	£7,127,267
Group profit before tax	£ 793,777	£ 745,613
Earnings per Ordinary Share	7.17p	7.44p
Total net dividend per Ordinary Share	1.1628p	1.0588p

Extracts from the Chairman's Statement  
The pre-tax profits are higher than in 1974 and constitute a record for the fourth year running.

We are concentrating to a major degree on overseas activity for the future, both with regard to exports from the U.K. and the growth of our overseas subsidiaries.

I am pleased to advise you that new arrangements have been made for the distribution of our products throughout the U.S.A. and to date substantial initial orders have been received. We are confident that the U.S.A. will become a significant outlet for our products.

Towards the latter end of the year we acquired from the Irish Cutlery Company Limited their factory at Enniscorthy and certain items of plant and stock. We have formed Viners Cutlery, and Tableware Limited in the Republic of Ireland.

Copies of the annual report are available on request to the Company Secretary.

VINERS LIMITED  
BROOMHALL STREET, SHEFFIELD S3 7SN.

## VINERS

## SANYO ELECTRIC CO. LTD.

## Curaçao Depositary Receipts of Ordinary shares

The Board of Directors of Sanyo Electric Co. Ltd. have announced that a BONUS distribution of 10% in shares will be made to Shareholders registered in the Company's books on the 31st May, 1976.

This bonus distribution will in due course be made available on the CDRs, for which coupon no. 15 has been designated, and holders should keep their coupons no. 15 for that purpose.

Since the 1st June, 1976, the original shares have been traded in Japan ex bonus and interim dividend.

As from the 1st July, 1976, the CDRs will be traded in Amsterdam ex bonus; they will be traded cum the cash dividend, however, until this is made payable in the Netherlands.

Amsterdam, the 30th of June, 1976.

BANK MEES & HOPE NV  
as duly authorized Agent of  
Carneth Administration Company N.V.

## Powell Duffryn poised for expansion

WITH A satisfactory state of liquidity, the Powell Duffryn Group is well poised to take advantage of favourable trading conditions and to plan confidently for expansion, chairman Sir Alec Ogilvie says in his annual statement.

The group will do its best to eradicate last year's "unwelcome" dip in its profit record, he tells members of this shipping, engineering, fuel distribution, oil and chemical storage, quarries, timber and industrial services group.

Any improvement in overseas trade will clearly help its shipping interests and the other divisions are also budgeting for higher profits. A great deal will depend on the economic conditions prevailing in the second half year but as viewed at this early stage "our mood is one of optimism," he adds.

As reported on June 23, pre-tax profits for the year ended March 31, 1976 fell by 19.1 per cent from £11.88m to £9.53m. The dividend is raised from 10.51p to 7.09p.

The balance-sheet shows bank balances and cash of £8.72m (£8.09m), short-term deposits of £1.07m (£30,000) and bank overdrafts of £3.3m (£2.34m).

At the year end, there was an increase of £2.78m in net cash resources (£1.41m decrease).

The CPP method puts pre-tax profit for the year at £15.6m, against £8.89m. A preliminary exercise in Current Cost Accounting shows a result not significantly different at the post-tax level from the CPP method.

The shipping division had a rough passage with its trading profit £4.1m, down on the previous exceptional year while profits from three other divisions were in total £1.2m, lower.

However Powell Duffryn is a diversified group says the chairman and this "savvy and roundabout" philosophy stood it in good stead, a measure of its strength being that the remaining divisions notably engineering produced additional profits of £2.9m. This limited the overall fall in group trading profit to just under £2.4m.

The new SOFPEC (Société Française d'Équipement Électrique et de Chauffage) company, formed last October to replace the previous French subsidiary which was put into liquidation, is effectively and successfully making good progress towards the profitable future, Sir Alec adds.

Towards the end of the financial year the monthly rate of inflation showed some signs of slackening. However for the year as a whole inflation and price controls caused some reduction in margins and the £7.47m to £5.75m. The profit

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are increases or decreases and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY  
Interim: A.C. Cars, Wilesters Publications.  
Final: Crowther and Nicholson, James Scott Engineering, Travelers, Carpenters.

FUTURE DATES  
Interim: Anglo-American Bank and Shareholders July 12  
Kershaw (A.I.) July 12  
Crested (A.I.) July 12  
McGill July 12  
Rank Organisation July 12  
Final: (Dundee) July 13  
Crown Jewels July 13  
Dyson (A.I.) July 13  
Kwikform July 13  
Lee Cooper July 14

cash generated from pre-tax profits plus depreciation of £14m, fell short of the comparable figure last year by about £2m.

Nevertheless cash generated in the year under review was sufficient to cover working capital expenditure which, net of asset sales, amounted to £4m, plus Corporation Tax which was relatively low due to continued relief for stock-in-trade increases.

The small cash surplus arising from normal operations was enhanced by an increase of £2.4m in long-term loans, the parent company having borrowed £2.5m, to support the European activities.

The overall result for the year was a cash inflow of £2.8m, which produced cash resources at the banks and on deposit of £3.6m at year-end compared with £1.8m a year ago.

Future capital expenditure contracted for amounted to £14.1m (£13.1m) and £9.53m (£1.03m) was authorised but not contracted for. Meeting, the Dorchester, August 4 at noon.

## Stroud Riley loss-dividend reduced

A turnaround from a pre-tax profit of £145,199 to a loss of £234,079 is announced by worried planners at Stroud Riley Drums and Drums Ltd. The directors have advised a dividend in excess of £0.01p.

Turnover was down from the £7.47m to £5.75m. The profit

figure is struck after depreciation and auditors' remuneration of £24,717 (£13,018). Directors fees of £59,620, compared with £38,533 and share of loss of associates £3,117 (£21,644).

Tax takes £50,186, against £72,356, leaving a loss of £284,265 (£72,943 profit).

## Braithwaite turns in £0.85m.

PROFITS before tax of Braithwaite and Company, Engineers, at £348,194 for the year ended March 31, 1976, have substantially exceeded the £432,331 of 1974-75.

First-half profits had risen from £99,768 to £210,440.

Stated earnings per £1 share are up from 13.4p to 28.8p and the net final dividend is 0.845p making a total of 6.937p compared with 6.873p previously.

Turnover for the year increased from £5.86m to £9.62m. Profit is before tax of £448,000 (£238,500) and extraordinary items of £100,000 (£23,000). Dividends absorb £101,822 (£83,510).

## Kimpheer loss-no dividend

THE ADVERTISING, specialist market services and publishing concern, Kimpheer, struck a pre-tax loss of £77,000 in the year to March 31, 1976, struck after exceptional items and loan stock interest. Profits for 1974-75 were £190,000.

In January, reporting a first-half loss of £160,000 compared with profits of £51,000, the directors said it was unlikely that second-half profits would cover the first-half deficit.

Full-year turnover was £23.33m (£25.82m). After a tax credit of £73,000 (charge £154,000) the attributable loss is £396,000 against profits of £70,000. There is no dividend compared with a total of 3p net per 10p share.

Turnover: 1974-75 1975-76  
Profit: 1974-75 1975-76  
Dividends: 1974-75 1975-76  
Balance retained: 1974-75 1975-76

## BIDS AND DEALS

## Richards and Wallington builds up Cox stake

Speculation that Transport Development's 30p-a-share bid for the 76 per cent of H. Cox and Sons (Plant Hire) it does not already own will attract a counter-offer was heightened yesterday by the news that Albert E. Sharpe had bought 55,000 shares in H. Cox at 31p on behalf of Richards and Wallington, which already holds 21 per cent of the company.

R. and W. stands to make a book loss of £471,000 on TD's 30p-a-share offer as its holding stood at £771,000 in the latest balance sheet.

H. Cox's share price moved up higher to 32p at last night's close.

DUFAY TALKS OFF—WARNS OF PROFIT FALL  
The Board of Dufay Mitromaster said yesterday that the talks which might have led to an offer for the capital of the company, have been terminated without any such offer having been made.

They go on to say that despite an increase in turnover, the profit of the company for the half year ended June 30, 1976 is expected to be materially lower than the £285,000 for the corresponding period of last year, adding that this was due to a combination of reduced margins and the cancellation of a large contract.

MATTHEWS  
A subsidiary of Matthews Holdings, Dawson MHP, has sold up its name and goodwill, its stock and fixed assets other than its factory to Sheldon Engineering Company (Coventry), a subsidiary of Central and Sherrwood, Dav-

son manufactures industrial catering, hospital and laboratory equipment.

The purchase price will depend on accounts to be prepared as at June 30, 1976, and will be about £250,000, payable in instalments over two years.

The net assets of Dawson net of forming part of the sale, amounting to about £16,000, will be liquidated and Dawson will then repay group loans of approximately £250,000. The net profit before tax and management charge of Dawson in respect of the business being sold and other business since discontinued for the year ended January 3, 1976, was £104,000.

MERCANTILE CREDIT  
Mercantile Credit, wholly owned subsidiary of Barclay's Bank, has acquired for \$US.1m

U.S. Leasing International's 20 per cent interest in Mercantile Leasing, which now becomes a fully owned subsidiary.

The two companies will continue to co-operate actively over their common overseas interests.

Low & Bonar approach to Bibby & Baron  
Packaging company Bibby and Baron has received a bid approach from Low and Bonar, a diversified group with interests in engineering, textiles and flooring as well as packaging.

The share price of Bibby and Baron jumped 13p on the announcement to 47p, having already moved ahead 4p the previous day. Low and Bonar remained unaltered at 150p.

L and B has so far not acquired any shares in Bibby and Baron, whose business is based on paper and polythene bags and cartons.

The approach was made by L and B a few days ago and a fuller statement is expected within the next few days. It has not yet been decided what form reduced margins and the cancellation of a large contract.

A spokesman for Low and Bonar said last night that the two groups were complementary, in that Bibby and Baron's interests were slanted towards the consumer side of the packaging business while Low and Bonar's interests were slanted towards the industrial end of the market. Also, a great deal of Low and Bonar's packaging interests are based in Canada and Bibby and Baron would add to the U.K. base.

In the last financial year to end March 31, 1973, Bibby and Baron made a pre-tax loss of over £1m, compared with a profit in the previous 12 months of £713,000.

UCC-RIOMHAIRE  
University Computing Company (UCC) and Riomhaire have signed an agreement of their intention to merge their Irish computer businesses.

The Board of Episcure has been asked to consider the terms of the proposed merger with UCC.

OCEAN WILSONS (HOLDINGS) LIMITED  
Salient Points from the Chairman's Review

The profit before tax for the year to 31st January was a new record figure of just under £2,000,000, an improvement over the previous year of £1,857,427. The earnings tax ignoring capital profit on portfolio management, £1,213,035 representing 18.3p per share in comparison with 16.8p for the previous year. The Directors are recommending a final dividend of 1.30674p per share making 2.30674p per share for the year, the maximum permitted by present regulations.

Since the end of the year the first of the six new ordered under the current new building programme entered service, delivery of the second is expected within matter of weeks and the remaining four during the nine months.

Dispositions have reached an advanced stage with a to the formation of a new Company in Brazil to be in equal proportions by the Wilson Sons Group and Inchausti Group. This new Company will study and develop opportunities for trading.

Income and interest from the investment portfolio increased by approximately 10 per cent during the year to £215,714. The market value of the quoted investment portfolio at 31st January 1976 was £2,538,568 showing a surplus cost of £878,367. The more recent valuation on 3rd 1976 showed a figure of £2,269,912.

Comparative Statement  
1976 11  
Group Turnover 30,520,000 30,70  
Group Profit before Taxation 1,967,639 1,81  
Taxation 754,861 50  
Group Profit after Taxation 1,212,778 1,10  
Dividends  
Interim—paid 66,166 6  
Final—proposed 86,396 7  
Amount retained 1,060,216 96  
Earnings per share based on the profit after Taxation 18.33p 1  
Group Net Assets  
United Kingdom—Book Value 2,470,468 2,16  
Surplus of Market Value of Quoted Investments over Book Value 878,367 37  
Brazilian Interests—Book Value 3,248,835 2,44  
3,843,373 3,01

The Annual General Meeting will be held at 12 noon Tuesday 3rd August 1976 at Winchester House, 100 Old St Street, London, EC2.

George Doland  
Increased Profits in Continuing Difficult Trading Conditions

Points from the Statement of the Chairman, Alfred A. Davis, FCA, at the Annual General Meeting held in London on 8th July, 1976:

Group trading profits for the year ended 31st January, 1976 resulted in a record net profit of £184, as against £170,345 for the previous year. The Board is recommending a net dividend of 1.25125p share which is the maximum permitted under Government's counter-inflation legislation.

This year we have carried out our policy of expansion adding a total of nine new branches. From rest to date the Board feel that a successful expansion into the young men's market has been achieved; it is intended to continue our policy of controlled expansion in this sector. In our conventional cloth division the programme of renovations and improvements has continued.

So far during the current year turnover has remained level with last year while expenditure has increased considerably. We are hoping for increased business in the second half of the year, always a better trading period, and it is this result which will decide if profit for the year. However, in these difficult times I cannot forecast the future, but we have this common with all other businesses today.

## John Brown and Company, Limited

## Improved prospects for the current year

## Lord Aberconway's annual statement

The result for the year to 31st March, 1976, a group profit before tax of £1,761,000, though poor, was better than the figure of £1,300,000 which we forecast in the Interim Statement.

The directors recommend a final dividend on each unit of Ordinary Stock of 1.75p, making a total for the year of 2.50p. This represents a high proportion of the profit after tax attributable to Ordinary Stockholders, and is a reflection of the Board's confidence in the future of the Company. Even so, the directors recognise that this is a scant reward and small consolation to stockholders, but it is an inevitable consequence of a difficult year. I hope however that they will be able to take comfort from what I say later in this statement as to the improvement in the underlying strength of the group, the encouraging state of the order books of most of the subsidiaries, and the well-founded hopes we have for a much better result both in the current year to 31st March, 1977 and, subject to the economic climate, thereafter.

Stockholders will observe that although the Consolidated Profit and Loss Account is not this year dominated, as it was in 1975, by a massive loss incurred by a single subsidiary, nevertheless again taxation provisions take what seems a surprisingly high proportion of the profit. This is largely because taxation upon the earnings of overseas subsidiaries has to be paid, and losses incurred in the United Kingdom cannot be offset against it. Even though tax on profits has to be provided each year we expect that, even with increasing profits, the only U.K. tax payable for some years will be Advance Corporation Tax on dividends: the incidence of capital allowances, losses brought forward, and stock appreciation relief will ensure this, so long as the present basis of tax remains. This will help to augment our resources to meet the cost of financing a growing volume of business over the years.

In my Statement a year ago I warned of the problems which our United Kingdom businesses would have to face by reason of continued rapid inflation and a world-wide recession in trade, especially in capital goods. I also dealt at some length with the difficulties of Constructors John Brown on certain of its longer term contracts. In the event, as was evident from my Interim Report, these factors have dominated the past year.

CJB, on its way to recovery from its previous troubles, made a loss as we predicted a year ago. The improvement in its affairs during the year, however, surpassed our expectations. Indeed, CJB, with the help of its flourishing subsidiaries, would have made a useful profit, had it not been for a further unforeseen technical setback on equipment designed and supplied by a subcontractor for one of the three earlier difficult contracts: incidentally on these three contracts our troubles would now appear to be behind us. CJB's re-organised management team has settled down well. There is a good order book for future execution, consisting of a high proportion of contracts with reasonable margins and helpful terms of payment and with little risk attached. Prospects of further new work for this year and next are excellent.

John Brown Engineering (Clydebank) shipped a record number of gas turbines to customers, and made a satisfactory profit. It absorbed the last of the start-up costs of its subsidiary J.B.E. Offshore, engaged in the fabrication of modules for the offshore oil industry.

In the machine tool industry the worst recession for many years meant the loss of almost all of the Wickman group's normally substantial contribution to our profits. In the field of plastics machinery the effects of the general recession were accentuated by the increase in the price of crude oil, the source of most plastic raw material. Elsewhere in the group, though not universally, the intake of orders was low, while everywhere pressure on margins and ever increasing costs affected profits.

Our overseas interests in Canada, South Africa and Australia traded, in the main, well.

At the beginning of the year under review it was apparent that the CJB loss, together with the current adverse trading conditions, would impose considerable organisational and financial strains on your Company in the ensuing year or two, especially as returns on capital employed had for some years, despite efforts to improve them, been unsatisfactory. Corrective action was taken in several spheres. At CJB the painful step was taken to discontinue the business of cross-country pipelining in which we had been pioneers in this country: it was apparent that prospects were such that further injections of working capital would be needed, and we could see no likelihood of achieving an acceptable return on the resulting capital employed. Mainly, I would emphasise is quite distinct from pipelining, and those subsidiaries of CJB engaged therein are in good heart and will continue their activity in the Wickman group too, major surgery was decided upon: the manufacturing activity of Taylor & Challen, already reduced in scope and concentrated upon the more viable lines of hot brass forging presses and coining presses, is being moved to the premises, not far away, of Wickman Scavenger, where a more economic joint unit has good prospects. Happily we can provide continued employment for many of the Taylor & Challen employees. Another factory, at Preston, in the Cravens group, was closed through the decline in the demand for specialised vehicle bodies and consequently the reduced prospects of a continuing viable business in their manufacture: again many of the employees were later given employment at the Cravens factory at Garsington, not far away.

These and other measures taken during the year to contain costs and to enhance profitability are part of the plan to improve the return on capital, a plan which we developed as a result of the examination we undertook of the group's policies and potential for the years ahead. The group continues to work to this plan, and this should ensure that progressively better use is made of our resources.

Accordingly by the start of the current trading year the group was well placed to take advantage of any upturn in the economy. Indeed even if no such upturn were to occur by the end of 1976, the group seemed, and as I write still seems, well set to make a much improved profit this year; and if the upturn comes, our prospects for the current year and the next year will be further improved. One reservation that I expressed in January was the lull then in the intake of orders for gas turbines at J.B.E. latterly, I am glad to say, several machines have been ordered, and excellent prospects exist for further substantial contracts. The world market for heavy duty gas turbines is active and growing and we will doubtless continue to win our share of it. We expect shortly to initiate a further major programme of plant modernisation at Clydebank, which should enhance our competitiveness and

profitability. J.B.E. Offshore, though in need of further orders, seems likely to have a satisfactory year.

Turning to the prospects of our other leading subsidiaries in the United Kingdom, I have dealt already with the recovery of CJB, as a result of which we expect it to make a useful contribution to group profits this year. Markham has a good order book, including, as the latest addition to its long line of water turbine contracts received over many years from Boving & Co. Ltd., the order for six turbines for the CEBB pump storage scheme at Dinorwic, in North Wales, the value of which to Markham is in excess of £11m: Markham's facilities are being improved by an extension to one of its heavy bays. Cravens, too, has, since the start of the current year, a much improved order book for containers, while its subsidiary Taskmaster and Anderson has been experiencing a good demand both for its range of low loader trailers and for its agricultural machinery.

Firth Brown Tools, however, is still operating below capacity, but its business is such that it will show early benefit from any upturn in the economy. Bone Cravens is finding a gradual, but slow, improvement in interest shown by customers in its range of plastics machinery. Finally orders and enquiries for machine tools have improved markedly in recent months, and there are now grounds for hoping that this improvement will be sustained.

In machine tools we have, throughout the Wickman group, and at Webster & Bennett, a fine range of products, accepted as such all over the world. Our machine tool companies give splendid service, backed by excellent production facilities and experienced research and development teams, and they have highly skilled shop-floor employees. It is sad however that, by and large, the profit Wickman has earned has not for some years adequately reflected the efforts expended and the capital deployed. Measures have been taken, including the moving of Taylor & Challen's manufacture, to which I have referred, and further action will be initiated to improve performance. Accordingly, given the support of our workpeople, a critical factor, we expect to enjoy reasonable trading in the current year and to derive significant benefits thereafter.

Stockholders will be happy to know that the appointment of Mr. Mayhew-Sanders as the group's Chief Executive nine months ago has worked out well. Control and planning have been improved, and closer liaison established between subsidiaries with common ground. Executives throughout the group have welcomed the appointment, and I personally find my task much eased thereby. He and I get on well and co-operation between us is close and easy.

To him and to all our teams of management, and to all our people who have worked well in a difficult year, I give the thanks of the directors, and, I am sure, of the Stockholders. Given reasonable trading conditions in the years ahead, the group is set for steady and profitable growth. Meanwhile I believe that Stockholders will be satisfied with the outcome of the current year.

MINING NEWS

# diamond sales heading for new record

ENNETH MARSTON, MINING EDITOR

More than expected advanced for the half-year to industrial diamonds by the Central Selling Organisation on behalf of 10 other world producers, out to R82m. (\$435m.) with R255.1m. in the 12 months ending in the second half.

The dollar terms, which he distortion of last year's 17.5 per cent. devaluation, the latest sales to \$784m., an increase of 10 per cent. over the figures for the six months of 1975. The current level of sales is maintained the 1975 value is going to well over 1975 record of \$920.5m.

It seems good reason to at sales in the current will, in fact, match those of the first six months of the last year. The price of 3 per cent. in January, a factor in the latest value of sales, it is lowered by the increased for stones which has the improving economies U.S., Japan and West.

celerating recovery in the market was noted by Oppenheimer's statement to De Beers' in April when he led on a "favourable" for the rest of the year. Demand for small stones has been strong and there has been pick-up in buying of qualities of the larger.

Despite the Southern political problems, anti- of the latest diamond sales of De Beers 12 to 250p.

SONS LIMITED

INCO STILL ER URANIUM.

Canadian mining house o, a Canadian Pacific sub- is to spend \$600,000,000 during the current season on the Baker uranium prospect in the District of the North-Territories. Cominco has tion to acquire a 53 per cent. interest in the prospect by spending a total of \$2.8m. on exploration. hat amount \$1m. has to be deposited they are obliged to offer in the first two years of local investors half or in the case

of uranium three-quarters, of their interest in the project. The country's Minister for National Resources, Mr. Douglas Anthony, has already said, however, that if it is shown that Australians are not prepared to participate "we do not wish to see projects unduly delayed." If the participation was not forthcoming, the foreign interests could make application to the Foreign Interests Review Board. If they can then show that there had been a genuine effort to obtain Australian equity, but this had failed, the project would proceed. Added Mr. Anthony, "there could be a case where there might even be 100 per cent. overseas investment."

**MINING BRIEFS**  
MALAYSIAN TIN—Quarter to June 30. Tin sales rose 22.33 tonnes (Previous quarter 22.46 tonnes). Working profit \$4,670 (\$4,281). Tin ore retained in stock at June 30, 3.12 tonnes (18.66 tonnes).

**Marginal rise at Metropole**  
On turnover of £2.82m. against £2.84m. profits before tax of Metropole Industries rose marginally from £218,070 to £218,404 in the year to March 30, 1976, after £105,900, against £102,900, for the first half. Full-year earnings are shown to be up from 5.4p to 5.6p per 10p share.

The group controls companies engaged mainly in engineering and associated trades.

	1975	1976
Group turnover	2,816,580	2,820,580
Trading profit	224,400	223,970
U.K. tax	4,670	4,281
Foreign tax	39,221	38,585
Net profit	177,000	175,107
Extra-ord. debit	—	1,517
Minority interests	10,825	6,849
Attributable	177,000	175,107
Preference dividends	77,400	77,400
Corporation tax losses of some £70,000 available to be carried forward at March 30, 1976 by certain companies. The half-yearly cumulative preference dividend of 5.4p per cent. in respect of six months ended March 31, 1976, will be paid on July 31. This, in conjunction with the cumulative dividend paid on January 31, 1976, will have absorbed £68,773 in dividends and A.C.T. Further participating dividend of 4.5 p per cent. net in respect of the year ended March 31, 1976 will be paid on January 31, 1977 to Preference shareholders on register on July 31, 1976.		

**TEA REPORTS DELAYED**  
Romeo Tea Holdings and Williamson Tea will be unable to issue their annual report and accounts within the six-month period following the date of the end of the financial year to which they relate, because audited returns from certain of their subsidiaries operating overseas were not received in time.

It is anticipated that the annual report and accounts will be published in the early part of September.

## £0.49m. by A. G. Barr at midway

GLASGOW-BASED soft drinks manufacturers A. G. Barr and Company reports pre-tax profits of £488,000 for the half year to April 30, 1976, on turnover of £7.31m.

The figures represent a return to a more normal trading pattern. In the 1974-75 first half the group was hit by escalating sugar prices and price code regulations and recorded a £388,000 loss on turnover of £6.83m. The chairman Mr. Robert Barr believes a more accurate guide to progress is provided by the half-year results to April 1974 when pre-tax profits were £194,000 on turnover of £2.02m.

Despite the recent good weather Mr. Barr says it will be difficult to match the volume achieved during the whole of second half for 1975 which represented an exceptionally good long summer—and with costs increasing steadily, the group is unlikely to achieve the same profitability during the second-half as last year's £1.32m.

Nevertheless "with the very great improvement during the first six months, the results for year should certainly be satisfactory," he tells members.

The first-half earnings are shown at 1.02p (loss 12.24p) net 25p share. The interim dividend is held at 1.4p net—last year's final was 3.55p.

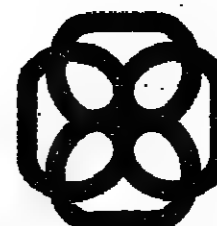
**W. W. Hall turns in £61,591**  
Building material distributors W. W. Hall reports pre-tax profits of £61,591 for the year to April 30, 1976 compared with a loss of £278,217 for 1974-75. Turnover rose from £11.49m. to £12.83m.

At midway when profits were £102,000 against a £90,000 deficit, the directors said that subject to seasonal influences the improvement should continue.

Full year earnings are shown at 0.25p (loss 6.4p) per 10p share. Again there is a dividend—the last payment was a total of 2.1105p net for 1973-74.

**Tribune Trust ahead halfway**  
Gross revenue of Tribune Investment Trust increased from £0.39m. to £0.49m. in the six months to June 30, 1976, and pre-tax revenue was up from £0.33m. to £0.42m. After tax the figure is £0.22m. (£0.17m.).

To reduce disparity the interim dividend is being raised from 2.5p to 3.5p net—the directors propose to at least maintain last year's 6.8p final. Revenue for 1975 amounted to £0.68m. Net asset value per share at half way was 882p (757p).



بنك بوميبوترا ماليزيا بيهاد  
**BANK BUMIPUTRA MALAYSIA BERHAD**  
(INCORPORATED IN MALAYSIA - HEAD OFFICE - KUALA LUMPUR)

## Balance Sheet As At 31st December, 1975

CAPITAL AND LIABILITIES		ASSETS	
	MS		MS
<b>SHARE CAPITAL</b>		<b>CURRENT ASSETS</b>	
Authorised:		Cash and balances with banks and agents	107,958,183
Ordinary shares of \$1 each	200,000,000	Money at call and short notice	18,000,000
Issued and fully paid:		Advances to customers less provision for bad and doubtful debts	701,606,423
Ordinary shares of \$1 each	40,000,007	Malaysian Government Treasury Bills	165,146,665
		Other bills receivable	146,738,230
<b>GENERAL RESERVE</b>			1,137,450,501
Reserve Fund	18,500,000	<b>INVESTMENTS AT COST</b>	
Profit and loss account	339,601	Malaysian Government Securities	318,469,683
	18,839,601	Quoted shares	22,124,597
Shareholders' Interests	58,839,608	Unquoted shares	2,440,000
		Unsecured notes	3,000,000
<b>SUBSIDIARIES</b>			346,024,289
Deposits	39,500,000	<b>SUBSIDIARIES</b>	
Amount due to	1,883,354	Shares at cost	7,563,000
	41,383,354	<b>FIXED ASSETS</b>	
<b>CURRENT LIABILITIES</b>		Land, building and equipment at cost less amount written off	19,515,041
Current, fixed, savings and other deposits of customers	1,042,672,884	<b>OTHER ASSETS</b>	15,751,068
Deposits and balances of banks and agents	318,438,175	<b>LIABILITIES OF CUSTOMERS FOR ACCEPTANCES, GUARANTEES AND OTHER OBLIGATIONS PER CONTRA</b>	
Bills payable and other liabilities	64,961,848		263,336,393
	1,428,070,908		\$1,789,630,283
<b>ACCEPTANCES, GUARANTEES AND OTHER OBLIGATIONS PER CONTRA</b>	263,336,393		
	\$1,789,630,283		

## The Board Of Directors

THE HON'BLE SENATOR KAMARUL ARIFFIN (Executive Chairman)  
L. E. OSMAN  
HAJI K. MUSHIR ARIFF, J.S.M., A.M.N., P.J.K., J.P.  
THE HON'BLE SENATOR TAN SRI S.O.K. UBAIDULLA, P.S.M., D.P.M.S., J.M.N., M.P.  
THE HON'BLE TAN SRI SYED NASIR BIN ISMAIL, P.M.N., D.P.M.J., D.P.M.P., J.M.N., P.I.S., M.P.  
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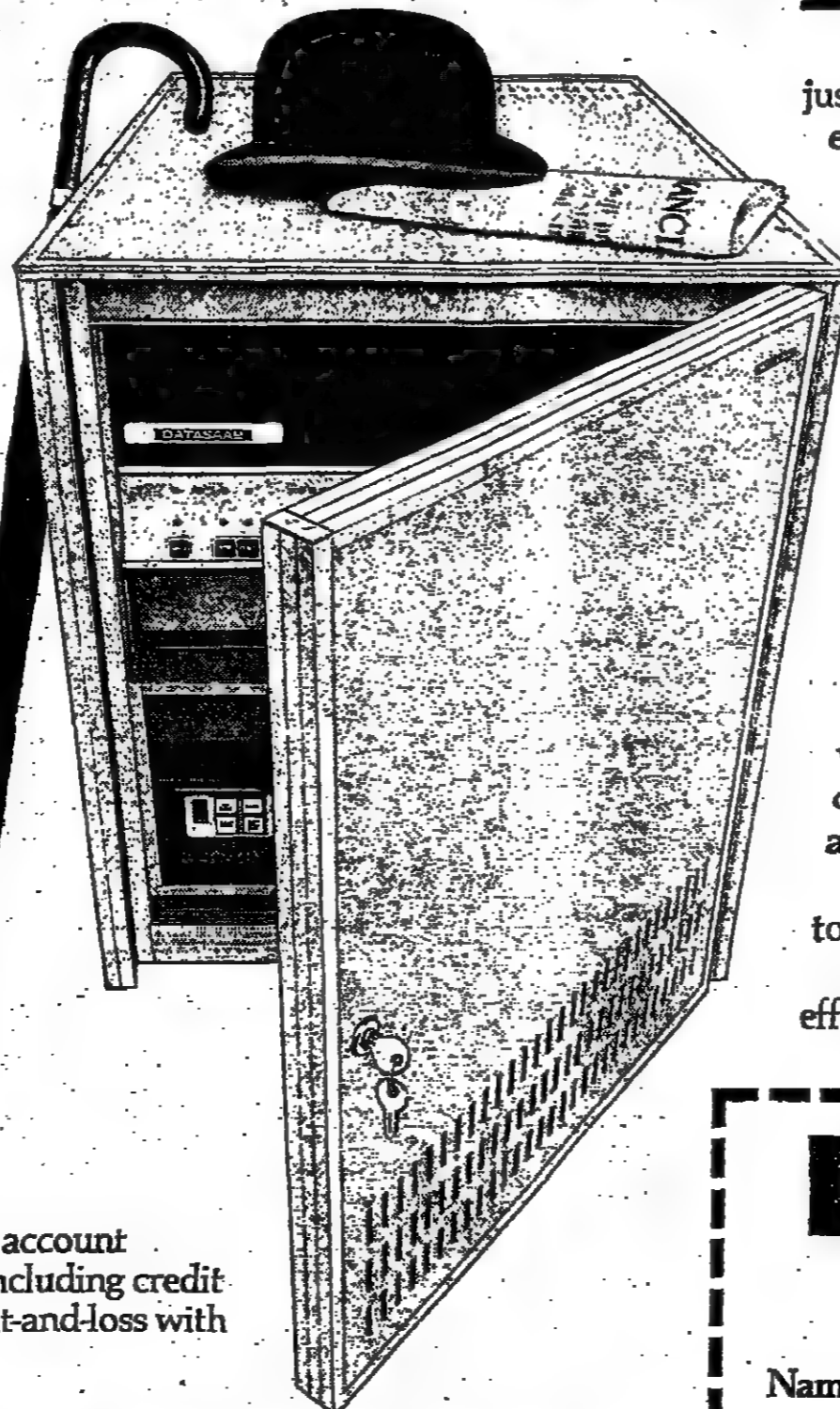
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## INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Rhone-Poulenc names new managing director

BY RUPERT CORNWELL

PARIS, July 8.

RHONE-POULENC, the troubled French chemical group, has taken a big step towards sorting out its long-standing Boardroom problems by naming M. Jean Gandois to all the chair of managing director, vacant for eight months.

M. Gandois is a proven 46-year-old administrator who has made his name in the Lorraine steel industry where he is managing director of Safflor, the biggest operating company of the Wendel Group. He is a graduate of the prestigious Ecole Polytechnique and a qualified engineer.

His appointment is the latest of several signs that France's biggest chemical company is pulling out of the complicated but very serious crisis of 1975, which saw a record loss of Frs.880m. (€105m.). The difficulty deriving from the poor climate for chemicals during the recession were exacerbated by bouts of boardroom feuding, which led to the resignation of two of the eight members of the key executive Committee, and the removal of managing director M. Jean Claude Achille in November, 1975.

M. Gandois will become the deputy to Rhone-Poulenc's 62-year-old president M. Renaud Gillet (whose family is reputed to own 15 per cent of the company's capital) and must be well placed to take over when the later steps down.

However, the evidence of a return to both financial and managerial health is by no means conclusive. M. Gandois will have a far from simple task when he takes up his duties next December.

The executive committee, a brain child of the McKinsey management consultancy group, is still too men short and the central issue concerns relations between Head Office in Paris and the field offices of various operating subsidiaries which Rhone-Poulenc has taken over in the past few years.

In purely industrial terms matters are looking up with the general economic upswing, and M. Gillet told the annual meeting three weeks ago that the group would be back in the black in 1976 if the recovery continued at the pace of the first quarter. Turnover, which dipped 13 per cent last year to under Frs.18bn. (€2.2bn.), was 12 per cent higher in the first three months. There is also a chance that investment so far scheduled at Frs.1.5bn. (€185m.) might be stepped up if demand continues strong.

However, deep-seated structural problems remain, especially in the artificial fibres division on which Rhone-Poulenc is particularly dependent, and where several of its product lines look distinctly dated.

## Stanbic comes to market

BY RICHARD ROLFE

JOHANNESBURG, July 8.

STANDARD BANK Investment Corporation, the South African subsidiary of Standard Bank is to offer 7,882,308 shares in an R20m. rights issue, which will be its third call on the market for equity funds in 30 months.

The issue is prompted by the need for the London parent to reduce its shareholding to 50 per cent, as laid down by the South African Reserve Bank and also by the need to meet the requirements of the Banks Act, which obliges South African banks to maintain a 16:1 ratio between deposits and combined share capital and reserves.

Since the STANBIC flotation, the London parent's shareholding has fallen from 86 per cent to 70 per cent, and the result of the forthcoming issue will be to reduce it further to about 67 per cent. Though entitled to subscribe for 5,403,894 shares, Standard Bank is only to subscribe for 3,807,173 shares. This means that minority shareholders will be offered 3,885,135 shares, or a ratio of 29 for 100. Without the parent's waiver, the minority would have been offered 12 for 100.

Striking price for the issue is 25c, which compares with 35c in the market. The issue is priced at 25c, and based on the latest 22.5c annual dividend, historic yield is 7.9 per cent. Standard Bank is to underwrite the portion of the issue for which it is not subscribing itself but efforts will be made to sub-underwrite with local institutions.

When the R20m. issue is complete, STANBIC will have raised R50m. by rights issues since December 1973. Local speculation is that there could be more issues to come over the next few years as the London parent whittles down its stake and as the obvious means of staying in the race for deposits. The much-cavanned alternative would be an all-paper acquisition in

JOHANNESBURG. It is possible that STANBIC's rights issue will be the precursor of other by the major commercial South African banks, among which only Nedbank has some leeway under the prescribed capital ratios.

To the extent that Standard Bank could subscribe its R9m. interest through the Securities Rand market, some narrowing of the Johannesburg premium is possible, though the bigger AECI rights issue whose date is still to be announced will be a more sizeable factor. Securities Rands may be used to subscribe for rights issues though not for new issue under exchange control regulations. However, though movement of funds through this market would save about 28 per cent of the nominal outlay, U.K. companies frequently hold unremitted funds in Johannesburg which could also be used for intervention purposes such as a rights issue subscription.

## Aral calls for further price rises

BY ADRIAN DICKS

BONN, July 8.

WEST GERMANY'S largest petrol retailer, ARAL, called today for a further increase in prices for the entire range of refined oil products in order to close what its chairman, Herr Klaus Marquardt, described as a serious gap between present prices and costs.

The ARAL chairman said that although sales of petrol and diesel fuel had increased by some 4 per cent apiece during

strong opposition from the West German government to any general increase in prices. Earlier this year the industry brought down a storm of protest upon itself when increases by some companies took prices of premium-grade petrol above the psychological barrier of DM1 per litre. West German petrol prices vary widely, with about Pf.86 a litre (roughly 84p a gallon) the lowest available at discount self-service filling stations.

## IHB to build up its reserves

BY MICHAEL BLANDEN

THE PROFITS expected this year by the recently troubled investment bank Handelsbank (IHB) will be ploughed back to build up the bank's reserves.

This was stated yesterday by Dr. Joachim Adriaen, the chairman. He said that the Frankfurt-based bank had achieved a profit in the first half of this year, and expected, barring unforeseen problems, that there would be a profit for the full year.

In his first public Press meeting in London since the bank's difficulties with its investments and loans, he expressed his confidence that after the consolidation of the past year IHB's balance sheet was now completely clean.

He looked forward to renewed but cautious growth in the bank's business. Dr. Adriaen emphasised the importance of the banking of the bank's two major shareholders, Hessische Landesbank-Girozentrale ("Helaba") and the Bank für Gemeinwirtschaft. The emphasis of the bank's future activities he said, would be on domestic and foreign lending and on deposit business and related services, aiming particularly at the industrial, trade and service sectors. The finance available from the bank's shareholders, the chairman argued, would support the renewed expansion of its operations.

A vital role would be played, he said, by the London branch, which had continued to make

profits and, with its participation in international loans increasing, should do better again this year. The London operation, he stressed, was necessary to meet customers' foreign currency requirements and as a channel for handling international loan syndications. It accounted for some 10 per cent of the bank's total assets and nearly a quarter of its lending.

The problems of IHB, Dr. Adriaen said, had been the result of both of committing too great a proportion of its resources to individual customers and of lending for too long a period. But solutions had been found, which had enabled the bank to recover some of the funds it had invested.

During the past year the bank has divested itself of all its industrial problem investments, with the majority shareholder, Helaba, taking on a number of commitments. The bank has sold its 100 per cent investment in NRS-Niedersteinthal, successor company to the former Meyer Group.

Shares in two companies, including Gutbrod-Werke, which transferred to Helaba, which took over a number of credit commitments including the greater part of the bank's engagements in the building sector.

As a result of these moves, the bank has reduced its capital from DM140m. to DM100m.

## Borg-Warner increases 1976 forecast

CHICAGO, July 8.

BORG-WARNER Corporation has revised its earnings forecast for 1976 to at least 34 per cent compared with the original forecast of 32 per cent. Actual earnings per share for 1975 were \$2.31.

Mr. James F. Bore, chairman and chief executive officer, said the increased earnings forecast was due chiefly to improved markets and profit margins.

The corporation was not revising its estimate of \$1.9bn. of sales for 1976, Mr. Bore said. "Our forecast is based on continued improvement in the economy," Mr. Bore said. But the corporation might not be able to hold to it if the motor industry was seriously affected by either the present strike of U.S. rubber workers or by any prolonged strike at one or more automotive companies this autumn.

The corporation's profits margin for 1976 was 2.5 per cent. By the first quarter of 1976 this had risen to 3.5 per cent, and was expected to be about 5 per cent in the second quarter.

Borg-Warner is active in air-conditioning, chemicals and plastics, financial services, industrial products and transportation equipment.

## Zapata oil strike

QUANTITIES of oil and natural gas have been found in the UAE's smallest emirate, Umm Al Qiwain. The announcement came from the Emirate's department of oil and mineral resources and stated that drilling had been continuing for several months by Zapata Exploration (Umm Al Qiwain) and that oil and gas had been found in the offshore area. Sources say that the first well is 20 miles offshore. The company plans to drill a further well to evaluate whether the two products are available in commercial quantities.

## Bally shareholders' move foiled

BY DAVID EGLI

GENEVA, July 8.

AN ATTEMPT to gain a controlling interest in the Bally shoe group's spokesman, Dr. Erich Gayler, a Zurich lawyer.

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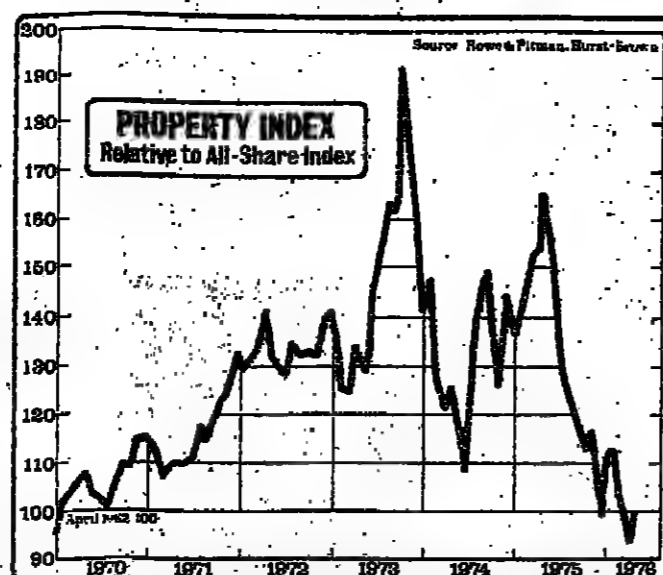
# The Property Market

BY QUENTIN GUIRDHAM

## Implications of a share revival

Two stockbrokers' commentaries on property shares have been issued without, to some people's relief, so much as a word on the techniques of property valuation. Both Rowe and Pitman, Hurst-Brown, and Joseph Sebag take what might be called a fundamentalist line: investment yields are down so values must be up; the companies have been able to make substantial sales and so restructure and reduce their debt; development programmes are coming to an end; rental demand is improving and the recessionary trend is good. Ergo, somebody ought to start buying property shares when well-financed companies with first-class portfolios are selling at discounts of 30 per cent. and more on their net asset value.

The arguments are all sound enough, except that they were also valid three months ago. The position has only got better since then, particularly in terms of sales, such as English Property Corporation's, and the rental demand in central London, which is crucial to most of the favoured shares. It has become that much clearer which companies are sound and which are decidedly shaky, so the wholesale marking down of the sector on bad news should have finished. Since the desirable holdings are, in most cases, those who have cut their variable term debt, these factors ought, since the spring, to have



outweighed rises in interest rates, the first major quoted company to fail and therefore

Then why, if the news was really improving, did the sector go on drifting down, so that the Property Share Index came from a year's top of 194 at the end of January to a bottom of 144 at the beginning of June? That is the same pattern of decline as the All-Share Index showed (though the industrial sector had its peak as late as March). But the property sector was not just following the whole Stock Market down. It was among those leading the way. Relative to the rest of the market, it largely misinterpreted by the underperformance the whole way down until the first week in May.

Among the reasons for this were the shock of the Americanised investment and property collapse, a shock partly down then it will find one any because this was, despite all the rumours over two and a-half

But it is always dangerous, if not plain silly, to talk of a market misinterpreting events. If it needs a reason to be marked down then it will find one any where, and the safest explanation of why the property sector

has performed worse than the market this year is that this is precisely what has been doing for most of the past two and a half years, costing investors a great deal in the process. Looking for a "technical rally," or even a real one in a market which is drifting downwards at under 4,000 deals a day, is optimistic enough, even in a sector of historic strength. When the performance of that sector against the rest of the market is as dismal as is shown in the graph here, then the fundamental reasons for a recovery have to be very strong. To put it another way, the reason investors won't buy property shares is just as much to do with the fact they do not think they will make money in them as it is with the relative virtues of direct or equity investment.

As seen in the graph, we have now arrived at an interesting point in history. Taking 1962 as a base, the property share sector has now arrived back relative to the All-Share Index, precisely where it started. Furthermore, it has outperformed the market for two months. This might be the point of a more lasting revival than last December's.

If this moment has been reached, then the Rowe and Pitman, Hurst-Brown reasoning contains all the answers. First, on values, you mix a dearth of new developments with a drop in investment yields and deduce that values have already revived an dmay continue to do so. On the basis of a 3 per cent drop in investment yields, the report shows how Haslemere Estates could show a 24 per cent increase in net asset value over the fully diluted NAV on 1976 values: the figures for Land Securities are 22 per cent. and for MEPC 30 per cent.

The argument is then underpinned by the demand for good quality properties, illustrated by the sales of leading companies. In January this year, the brokers calculated that the leading 46 companies had sold £500m. of properties in the previous 18 months. Since then they calcu-

lated that a further £300m. has been realised, making £800m. or 13 per cent of total book assets. On rents and revisions, the most telling illustration of the income rises to come is in an analysis of Land Securities, indicating that its 5m. square feet of City and Central London offices are let at an average rent of less than £3 per square foot. On interest rates and capital commitments, the brokers admit that many companies have not been able to cut their short-term variable rate debt fast enough, mainly because of the escalating cost of development programmes started too late. But most of those programmes will be finished in the next few months. What will not go away so fast, of course, are the substantial capital and revenue losses on foreign loans.

Joseph Sebag covers much of the same ground on the fundamentals for a selective revival, but also goes to great lengths to rebut the arguments against property holding companies in general. The points are well made—for instance anti-company arguments of too much tax and low yields are mutually exclusive—and the report tackles the whole debate from the right starting point, that property companies are here and there is no gain in saying that they should not have existed at all.

If these and other brokers have, at last, got the point of the property sector's revival dead, much of the potential strength of the companies' portfolios rests on the absence of new developments. Sydney Mason, chairman of Hammerson Property and Investment Trust, has put the needed rise in rents before British companies start considering new projects at between 30 and 40 per cent. A share revival would not indicate that any balance has been restored to an important sector of the economy, or that any relief is in sight for the construction industry.

## Chesterfield's French sale

While the tax charge has yet to be settled, Chesterfield Ronson has made approaching £4.5m. pre-tax (or over £2m. to Chesterfield Properties) from its development at Opera-St. Anne, Paris 2. The 70,000 square feet of offices in the development have been occupied for nearly a year by the Bank of Tokyo and the Banque Européenne de Tokyo and the buyer, Union des Assurances de Paris-VIE, is one of France's largest insurance groups. Some reports from Paris indicate that there are now substantial institutional funds seeking office investments. The investment yield on Opera-St. Anne is around 5 per cent.

This deal completes a successful cycle of disposals by Chesterfield Ronson in France, totalling around £23m. It means that Chesterfield Properties can be released from its remaining French guarantees, totalling £5.6m. in the past accounts. It also means the bank loans of Chesterfield Ronson Europe Group, made to subsidiaries, which were shown as £22.4m. are reduced by over £16m.

## 80,000 sq. ft. proposed off Fleet Street

British Steel Corporation Pension Fund Nominees, the freeholders, and solicitors Lovell White & King, as prospective lessees, have been granted an ODP for a new building containing 80,000 square feet in Fetter Lane, off Fleet Street, London EC2. They now face the hurdle of Greater London Council planning permission.

The significance of this proposed development may be judged from the development Jones Lang Wootton represents point of view, here is a third the companies which have apparently read the



Michael Lyell Associates' design for the 80,000 sq. ft. development with frontages on Fetter Lane, West H Street and Red Lion Court. Technical design and construction is by Bernard Sunley.

market pretty well—its development commitments elsewhere have come down to under £1m. and its purchase of Minister House for £5.34m., completed in October, caught the City market near the bottom—which is precisely the view that with money already tied up in the site, there is no point in waiting longer. For the prospective tenants, it is interesting that international solicitors feel it necessary to improve and enlarge their accommodation from Serjeants Inn round the corner, and that none of the near 300,000 square feet available in Fetter Lane alone appeals to them.

This site has taken some years assembling Collier and Madge, and Chestertons are agents for the landlords, with Ernest Owens and Williams acting as special consultants to the fund, Jones Lang Wootton represents the tenants. The complexities which have included improving the plot

RICS-FT POLL Results of the second property market index conducted by the Institution of Chartered Surveyors in conjunction with Financial Times, will be published next Friday, 13 July.

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The Portland Stone front of 37 Dover Street which was designed in 1772 by Sir Robert Taylor.

It was at this stage that the buildings of Berkeley Street were constructed and joined Ely House. At this time the rooms on Berkeley Street had the advantage of looking across the gardens of Devonshire House and Lansdowne House, which were not built over at that time.

One of the cast-iron lions modelled by Alfred Stevens in 1852.

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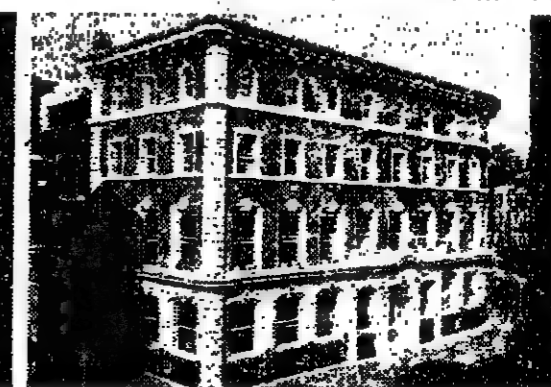
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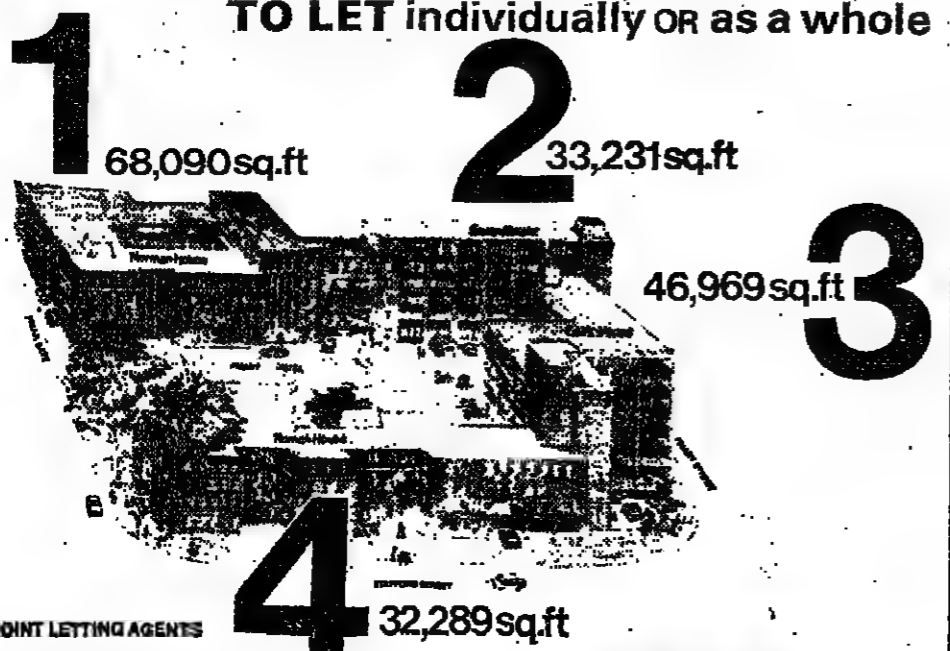


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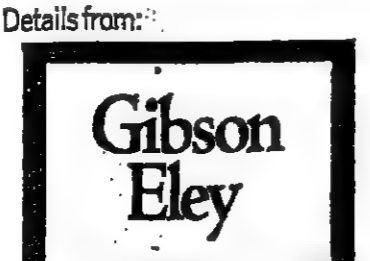
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# BOOKS

## When we were very young

BY C. P. SNOW

Generation by H. H. Hynes. Bodley Head. 428 pages. £12.50. 50s. 35s. pages.

Three books all have to say about the period between the two world wars. The first is a history of the period, the second a collection of poems, the third a collection of prose.

For instance, though some of the poems are very good, they are not as good as the prose. The prose is very good, but the poems are not as good as the prose.

have to be a serious argument, in both artistic and historical terms, about the whole "modern" movement (a singular term, by the way, for a phrase which reached its climax over half a century ago). But this isn't the place or time. There are plenty of other things to think about in Hynes's work.

He has concentrated almost entirely on English literature in his chosen period, and particularly, though not exclusively, on the group of poets dominated by W. H. Auden. It doesn't matter that Hynes is an American. He knows much more about this period in English writing, and the people who took part in it, than most of us. He is a critic of much insight and subtlety. He has quite unusual empathy. So much so that he not only isn't put off by his subjects' English idiosyncrasies and flaws, but at times seems to share them.

For instance, though some of the poems are very good, they are not as good as the prose. The prose is very good, but the poems are not as good as the prose.

tioned in any of Hynes's quotations, which are scholarly and lavish. Nor, on quite another wing of poetry, is Valéry, one of the supreme poets of the century. The Auden group were concerned with the relation between literature and politics. They discussed it with seriousness and often with high intelligence. Auden was a fine critic, as well as one of the best creative artists. Empson was an exceptionally clever man and a character of unspeakable independence. Spender, whom Hynes understands completely, comes out of it very well—but none of them, not even Empson, seem to have realised that the whole debate had been thrashed over, with much greater power and urgency than their own. All through the Russian 19th century, once Belinsky, the greatest of radical critics, had set it alight. But then the English group's politics came from duty, and a little from fashion, not from deep conviction. Being so involved, Hynes may appear to infect them with his influence. It was minimal. The Left Book Club had a little. Reports in Time magazine and in other American journals, right from the early days of Nazi rule, had much more.

The thirties poets responded to that climate, just as a high proportion of educated England responded, but it was less delicate men, like Ernest Bevin using his massive power-loving nature to kick the Labour movement out of semi-pacifism, who made it possible for the country to fight the inevitable war at all. Intellectuals played no part, except for men such as Blackett using their own kind of power to get the bare margin of equipment ready in time. The story of England in the thirties is complex, and it is unfair to expect Hynes to tell it in this particular book, though he is wide-minded enough to be able to do so, if he cared.

The Very Rich Hours of Adrienne Monnier, published on July 22, is a reflection of a different kind of literary life, one difficult to write away, but about as different in tone as it could reasonably be. Adrienne Monnier was a provincial French girl with a passion for the arts. She was not a difficult woman to write, though in time, she produced some good memoirs. She expressed her artistic passion by starting a bookshop, La Maison des Amis des Livres, in the Rue de l'Odéon in Paris. She started it on very little money, and never made any—even in her

most flourishing days, she earned only the equivalent of a few hundred pounds a year. Nevertheless, hers was one of the two most famous bookshops in Paris. The other was Sylvia Beach's Shakespeare and Company across the street, which served the Anglo-American avant garde as well as the French. The two women fell in love and lived together. All very cosy, and it could have fitted comfortably into Hynes's London scene.

Most of the Paris literary life couldn't, though. Adrienne was a shrewd observer, and she makes her friends, clients, patrons and protégés (she did much for unknown writers) seem far less boyish than the English group. About them there is none of the prep school facetiousness, which by the way is at least as repulsive to most grown up Englishmen as it must be to Americans. The English group might have enjoyed it, but one can imagine the puzzled contempt of Fargue, Roumain, Larbaud. Incidentally, French literature in the thirties was much richer than English, though we don't seem to have noticed it.

## Homage to Adam Smith

BY LORD ROBBINS

Adam Smith: An Inquiry into the Nature and Causes of the Wealth of Nations. General Editors R. H. Campbell and A. S. Skinner. Textual Editor W. B. Todd. Two volumes. Pp viii and vi. + 1,050. Clarendon Press, Oxford. £15.00.

Essays on Adam Smith: Edited by Andrew S. Skinner and Thomas Wilson. Pp. xvi + 600. Clarendon Press, Oxford. £15.00.

The bicentenary of the publication of Adam Smith's *Wealth of Nations* is being celebrated by the University of Glasgow in a very notable and academically invaluable manner. Not content with organising in Smith's honour one of the most successful conferences in social studies to be held in this country in the past 50 years, the members of the faculty which he once adorned, are also organising a series of lectures and seminars, and a collection of essays, of which the three volumes here noticed are a first instalment, two devoted to the *Wealth of Nations* itself, the third to a collection of learned papers on various aspects of Smith's work as a whole.

For the new edition of the *Wealth of Nations* there can be nothing but praise—its predecessor, Cannan's edition of 1904, raised scholarly standards of editing of economic texts in this country to a new plane of excellence; and the present editors pay a handsome tribute to its quality. But much has been learned since that date; and re-reading was due. For a pupil of Cannan—as I was—the highest recommendation that can be given of the present edition is that that very learned man, who believed in the progress of scholarship, would have been delighted with the work of his successors. We must all look forward with eagerness to the remaining volumes of the collection.

The *Essays on Adam Smith* fall into two parts. The first consists of papers dealing with the broader aspects of Smith's work as moral philosopher, social and economic scientist, historian and political theorist. The second, and more technical, aspects of propositions and attitudes in the *Wealth of Nations* itself. With such a

wealth of distinguished contributions, 14 in the first part, 16 in the second, it would be invidious to attempt to establish a class list. But tribute at least should be paid to Dr. Skinner's introductory survey and Professor Wilson's concluding essay. After reading Dr. Skinner it would be difficult for any candid reader not to acknowledge the continuity and broad consistency of Smith's work in the various fields he cultivated; while, for a judicious appraisal of the central content and significance for a later age of the magnum opus, Professor Wilson's sympathetic and balanced summing up is unlikely to be bettered.

Of the rich yield of the papers which these two essays enclose, I would pick out for special mention, not for intrinsic superiority over the rest, but because personally I found them most helpful and thought-provoking, Professor T. D. Campbell's "Scientific Explanation and Ethical Justification in the Moral Sentiments" and Professor Bowler's "Some Aspects of the Treatment of Capital in the *Wealth of Nations*." I also should acknowledge a suitable and significant correction of an incautious statement of my own in Mr. Duncan Forbes' admirable "Sceptical Whiggism, Commerce and Liberty."

The only paper which seemed to me to fall much short of the level of the rest was that of Professor Hellbrunn of the New School for Social Research, New York, in which the very obvious and well-known implication of Adam Smith's theory of wages, that if the funds destined for the maintenance of labour cease to grow faster than the working population, then wages must fall, is made the basis for a demonstration of the essentially classless nature of Smith's "social imagination." Needless to say, this is not the first, and is unlikely to be the last, attempt to interpret the *Wealth of Nations* in terms of the classless society. This is something we have to live with. But I should have thought that to attribute to a "classless" outlook Smith's failure, in the third quarter of the eighteenth century, to anticipate the reality of a widespread practice of family limitation, must certainly stand out as an all-time high in the art of reading history backwards.

## Canadian Cinderella

BY HILARY SPURLING

The Wheel of Things: A Biography of L. M. Montgomery by Mollie Gillen. Harp, £4.50. 200 pages.

The story of Anne of Green Gables—the child who thought that all the little wood things were put to sleep in winter by a fairy in a rainbow scarf, and that may-blossoms in spring must be the souls of last year's flowers—has captivated little girls and made strong men weep the world over. First published in 1908, it went into six editions in as many months and has since sold millions of copies in dozens of languages, touching hearts everywhere from England to Java and Nairobi, and being regularly re-issued on stage, screen and postage stamps.

It has always been, for some reason, a special hit in Japan and favourite with British Prime Ministers. Ronald MacDonald read every book by L. M. Montgomery he could lay hands on several times over, and the notoriously susceptible Stanley Baldwin at 80 was more than half in love with Anne.

This Canadian Cinderella who turned herself from a friendless, homeless, orphaned drudge into the prettiest, cleverest and best-beloved girl in the school was, of course, a dream come true. grins and tells-hunters who visit Prince Edward Island each year to see L. M. Montgomery's home, a form that one has perhaps no right to feel surprised—though one cannot help feeling cheated—built round the site of Green Gables.

quite so dull and dour and disappointing as Mollie Gillen makes it sound. Maude Montgomery was no less plain, nearly as orphaned (her mother died young whereupon her father abandoned her to relatives) and rather more querulous than her famous heroine. She lived with her grandmother, she loved cooking, cleaning, plugging stibbols away at magazine stories and verses, prey to sick headaches and nervous spells, until she was 37 when she married a melancholy minister who never seems to have given much satisfaction and who eventually wound up half-cracked.

She published 25 books, mostly connected with Anne or Anne's less celebrated successors Emily, Pat and Jane. But the ingenueness which has won so many friends for Anne seems less engaging in the narrow, sarcastic, rigidly conventional middle-aged woman who still thought that sweethearts were the souls of good butterflies, and the any writer worth the name ought to stick to describing sunsets. Miss Gillen's biography is written in a pretty fair imitation of what she calls authentic Maude language, and belongs to the straightforward baggiographical the prettiest, cleverest and best-beloved girl in the school was, of course, a dream come true. grins and tells-hunters who visit Prince Edward Island each year to see L. M. Montgomery's home, a form that one has perhaps no right to feel surprised—though one cannot help feeling cheated—built round the site of Green Gables.

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## Earthquake here

BY DR. DAVID CARRICK

The Great English Earthquake by Peter Haining. Robert Hale, £4.50. 219 pages.

April 22nd, 1884, is a date without the slightest significance to the vast majority of people in Britain today. Indeed, to the inhabitants of a largely rural area of North Essex, lying between the estuary of the Blackwater and the River Colne, from dawn until 9.20 a.m., it was an unexceptional day—perhaps a little better than usual, as the rain of the previous evening had gone, leaving a warm and freshly-washed Spring morning.

The busy little fishing village of Wivenhoe had been busy since dawn and the shops had been opened for over an hour. The children in school and street noises were those of horses and wagons rumbling on their way to Colchester.

Suddenly, at 9.18 a.m., without warning, the peace of Wivenhoe was shattered. A loud and violent rumbling, covering points broke upon the peace, and the whole village seemed to be momentarily lifted and, on settling, the rumble was replaced by the sound of falling masonry and chimneys. Boats in the harbour were torn from their moorings and dashed against the quay. And, as the people rushed from their shaking houses, as holes appeared in the roofs, they were pelted with falling slates, tiles and chimney-pots.

It was at that point, what has become known as the Colchester earthquake, which is said to have been the worst in known history, struck one village. But it was not confined to Wivenhoe. The ancient town of Colchester was shaken, and the damage, though perhaps, so greatly as the modern planners) and other

villages, townships and hamlets over a radius of 150 miles were damaged to a greater or lesser extent, destroying over 1,200 shops, churches, larger houses and many smaller buildings. Damage was estimated at between £100,000 and £200,000 (current values for 93 years ago), and to this day many churches and brick buildings bear the scars, in the form of cracks, of that little known disaster.

Although of great sorrow and consequence to the people in the areas affected, the event did not arouse too much interest in the rest of the country even then, presumably because, miraculously, only one death was officially recorded, that of a child in Rowledge. Also there was no television and little in the way of Press photography. But another curious reason for the lack of interest in this meticulously recorded work, was the British arrogance and Victorian solid respectability that considered such natural disasters to be confined to foreign parts like, for example, Krakatoa that had erupted a year before, with an explosion that man has yet to equal.

The book is well written and liberally illustrated with accounts from those who were there (one of whom is still alive) and with contemporary photographs. A chronological list of 70 lesser earthquakes, from the 2nd C. to 1884, is given and, in view of the recent Italian tragedy, shows that modern Britain is not immune from natural disasters which, if affecting huge, over-crowded cities, would make the forgotten Great English Earthquake truly forgettable.

The realities of the situation explain why the Lords of the Admiralty were not "appeasers." They were not the "guilty men" of a first generation of post-war historians, but they were often frightened and short-sighted men trying to avoid a situation which they could not master. Captain Roskill, in a balanced and lucid reading of their dilemmas, leaves no doubt about the British navy's weakness of an all-swim, and he relies a good deal on his own memory in describing them. Consequently his handling of his material varies a lot from one crisis to the next; sometimes concentrating on pen-portraits of the leading figures, and at others on political analysis.

The book does not cast much new light on what are already familiar subjects, and sometimes seems like an apology for the Liberal Party. But it is always enjoyable to read, and should help to calm the nerves of those who think the present is a more difficult time than the past.

## Messages in India

BY ISOBEL MURRAY

Became a Holy Mother Other Stories by Ruth Shabva. John Lane, £3.50. 200 pages.

Hospital Ship by Martin Jonathan Cape, £3.50. 168 pages.

Widely by Buchi Chetia. Allison and Busby, 168 pages.

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mythology is very much less successful than some of the more sombre stories.

"Bombay," for example, concerns a Parsi family and its ramifications and although it is perfectly balanced and structured, one feels Mrs. Shabva could have created a whole novel from Nargis, richly married, her husband and his silly sisters, and the inarticulate loving Uncle who helped to bring Nargis up and who outrages the laws of hospitality by refusing to live under her care, principally because of the silly sisters.

Other stories range from a first person narrative by an apparently naïve naïve wife who has to go to his mistress when her husband is arrested for bail money, through one or two about self-indulgent, self-deceiving Indian men who "worship" women devoutly and carelessly, calling each in turn "Goddess." I found the last story, "Desecration," the most powerful, dealing with strong lines of emotional instability, class difference and cross-class attraction, and coming to a shocking conclusion that leads inevitably to the suicide of the central character.

Apart from the title story, these are not particularly light-hearted stories, but neither are

they heavy and gloom-laden. They are related in a simple English with a compassionate concern for human beings and a tolerance of endless frailty that produces a most impressive volume.

The basic situation of Martin Bax's *The Hospital Ship* is precisely heavy and gloom-laden: it is an indictment of what Dr. Bax sees as the collapse of social and individual stability in our time. The hospital ship, after some time, knows disaster, and the world of the world, stopping where safe to take on new patients, disturbed, withdrawn, autistic, who are treated at sea in what gradually seems to become a tiny island of sanity and health in a world gone mad.

I found it impossible to tell who was telling this story to whom, and why. So this difficulty in reading, plus sadness that the destructive and disease-ridden parts of the book are so much more convincing than the "therapeutic marriage" which is to provide the positive answer, combine to make it finally a disappointing book.

In *The Price*, Buchi Emecheta attempts less and achieves more. It is a classic love story set in Nigeria just before independence, and is almost equally concerned with the tug of traditional African values versus the modern European ones, and with the tensions inside traditional tribal ways. We see it all through the eyes of Akuna, the 16-year-old heroine, brought up in Lagos, in fairly modern ways, until her father dies when she is 13, and the family must return to the tribal village, the ownership of her uncle and the old ways.

Akuna's desire for education rises with her love for her teacher Chike, who well trained, highly personable but of a former slave family, and so



Buchi Emecheta: classic love story

can never hope to marry a well-connected Ibo. Akuna's development from 13 to 15 is very sympathetically shown—her gradual realisation that the end of the world is not the end of the world, her humiliations and even kidnappings by a brutal and lecherous Ibo. It is a brave story, finally sad, with an indication that it is the power of superstition that brings about the unhappy ending.

Four Faces, *Widely* by Australian Chester Eagle is a more satisfactory story of a more recognisably Western situation. Melbourne couple, close friends, temporarily and cowardly swap partners, and various peripheral characters also join in the exercise. I was unable to care about them, or to believe in the characters; they seemed to me endowed with so little life, and the author treated them to such endless earnest analysis. The action got lost or ignored under this weighty pondering, and I expected the book to end, all pain spent, some 80 pages before it did.

until the summer of 1937. But there was also poor leadership, an incorrect order of priorities, and a number of questionable strategic and tactical decisions. The lessons of the First World War were not learnt, the navy again prepared for the wrong war. Faith continued to be placed in capital ships and inadequate steps taken for the defence of merchant shipping against submarines ("underhand, unfair and damned un-English") and air attacks.

While exaggerating the effects of blockading Germany, the Admiralty failed to provide necessary escort vessels, anti-aircraft protection and proper submarine detection devices needed to keep Britain's vulnerable trade routes open. The "Bomb Two Matières" controversy hardened attitudes. The General Board refused to admit that capital ships were vulnerable to air attack. Insufficient funds were allotted to the building of aircraft carriers, and the carrier force was reduced to a handful of old-fashioned battlecruisers. The navy, rightly fearful of a three-front war, tended to be

complacent and over-confident when it came to its own operational and logistic alternatives in the Atlantic.

Sharing the general rejection of a continental commitment, the General Board repeatedly ignored French overtures until the Abyssinian crisis. It was not until the spring of 1935 that Staff began to make progress and a year was to elapse before there was a full and frank statement of British plans and intentions.

The author's contention that excessive trust is preferable to suspicion is open to debate. Chatfield's arguments make strange retrospective reading. Captain Roskill believes that it was better to go to war in 1939 than in 1938 though in naval terms officers have attributed part of the Royal Navy's subsequent success to the fact that war came five years too soon for their German counterparts.

These volumes bear out Dr. Paul Kennedy's thesis in *The Rise and Fall of Great Powers*. A concise and readable four-century survey of much of the old and new material on a subject rarely treated in its entirety. After 1870, economic and technological changes no longer favoured the maritime power. Even before the introduction of aircraft, naval strength alone could not alter

the balance against a land-based military power. Both authors contend that British designers and engineers had fallen behind their foreign competitors and British industry no longer had the capacity to make up massive deficiencies even after war began.

It was not only that the "go-ahead" came too late. Despite gloomy pre-war predictions, the British navy had its own in the Atlantic as it turned to its crucial and proper task of protecting Britain's lifelines. Yet despite an astonishing productive effort, this Navy was dependent on American ships and supplies, and the overall economic strain, as the Treasury had long predicted, proved overwhelming.

The realities of the situation explain why the Lords of the Admiralty were not "appeasers." They were not the "guilty men" of a first generation of post-war historians, but they were often frightened and short-sighted men trying to avoid a situation which they could not master. Captain Roskill, in a balanced and lucid reading of their dilemmas, leaves no doubt about the British navy's weakness of an all-swim, and he relies a good deal on his own memory in describing them. Consequently his handling of his material varies a lot from one crisis to the next; sometimes concentrating on pen-portraits of the leading figures, and at others on political analysis.

The book does not cast much new light on what are already familiar subjects, and sometimes seems like an apology for the Liberal Party. But it is always enjoyable to read, and should help to calm the nerves of those who think the present is a more difficult time than the past.

## Tough times

BY CHRISTOPHER TUGENDHAT

British Political Crises by Sir Dingle Foot, Q.C. William Kimber, £5.50. 221 pages.

To confine a book on British Political Crises within less than 300 pages of text demands rigorous selectivity, and Sir Dingle concentrates on only five—those of 1886, 1918, 1922, 1931, and 1940. They have two features in common. They led to a realignment of parties, and involved only politicians, rather than trade union leaders or other outsiders. Thus the events leading up to the 1911 Parliament Act, and the 1926 General Strike are omitted, and the post-war period, for much of which the author has been a prominent politician, has been ignored. However, these five crises were all important, and each set off a train of events that continued to influence the course of the country's development for some time afterwards.

Those of 1886 and 1931 seem particularly relevant to our own

problems of the moment. In my view 1886 was one of the great lost opportunities of modern British history. If Gladstone had carried his Home Rule Bill, a united Ireland would still be part of the United Kingdom, much bloodshed would have been avoided, and subordinate assemblies would long ago have been established for Scotland, Wales, and probably England as well. We are still wrestling with the consequences of his defeat.

The impact of the chapter on 1931 stems from the inevitable comparison between that crisis and our present one. Then, as now, some ministers—misguidedly as it turned out—felt they knew what needed to be done, and that their supporters would not back them. In the end those who wanted to act thought there was no alternative to a National Government. I doubt whether any of to-day's ministers have reached that conclusion, though many ordinary people who they would. But if

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## CHARITIES AID FOUNDATION

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## WALL STREET &amp; OVERSEAS MARKETS + FOREIGN EXCHANGE

## Firm tone still dominates stocks

BY OUR WALL STREET CORRESPONDENT

BUOYED mostly by what analysts described as spillover demand from late Wednesday's stock market move, the Dow Jones Industrial Average rose 1.14 to 235.28.

In the background, there was also encouragement by indications of a steady course for the time being, and by hopes that second-quarter corporate earnings will show good results.

Dow Jones Industrial Average was ahead 1.88 at 235.04 advances outnumbered declines by a seven-to-four margin. Turnover approximated 10th shares—a little ahead of Wednesday. The Transport

Index rose 1.14 to 235.28. Utilities gained 0.23 to 23.47, and the Stocks Index rose 0.50 to 310.50. Colgate-Palmolive, which reported higher earnings and raised the quarterly dividend, picked up 30 cents to \$28.

Among issues scoring gains of 1% or more were Digital Equipment up \$1.10 to \$17.90, Emery Air Freight \$1.10 to \$4.94, Superior Oil ahead \$1 to \$14, A. E. Staley \$1.10 to \$30, and Minnesota Mining up \$1.10 to \$30.10.

Motor, Steel and Chemical shares were fractionally mixed.

Great Northern Nekeosa slipped \$1 to \$23.10. Texas Gas Transmission also dropped \$1 to \$33.10.

Prices on the American Stock Exchange pointed higher, with the Amex index up 0.63 at 105.93.

Turnover approximated 1m. shares.

Ridout Manufacturing gained \$1 to \$17.50 after a delayed opening.

The company announced development of a new valve and pump for dispensing lubricants and other products packaged in small bottles.

Adelco Oil and Gas moved ahead \$1 to \$11.10 after reporting new oil and gas discoveries.

Syntax added 75 cents to \$33.10 with Houston Oil and Minerals 50 cents up to \$61.10.

Ind. vid. issues advanced \$1 or better following bullish corporate news.

Ford Motor was up \$1.10 to \$37.10. It raised its quarterly dividend by 20 cents a share to 30 cents.

Supercope added \$1.10 to \$22.10 and brought to nearly four points the gain of the last two sessions.

The company released an optimistic earnings estimate on Wednesday.

Borg-Warner rose \$1.10 to \$30.10 after raising its 1971 earnings forecast.

Among the volume leaders

pointing higher were Black and Decker up 25 cents at \$24.10, Dow Chemical ahead \$1 to \$46.10, and Corp up to \$16, and Pfizer higher at \$28.10.

## OTHER MARKETS

## Canada higher

A mild rally was the feature of Canadian share trading in light to moderate volume. On the Toronto Stock Exchange, the Industrial

Index edged up 0.68 to 188.83. Base Metals put on 0.58 to 141.83, and Westerns gained 1.41 to 239.83.

Some of the more concerted buying in Western Oils, Bow Valley Industries rose \$1.10 to \$23.10, and Aquitaine Co. of Canada gained 0.18 to \$20.10.

Alcan. and Sicom were up 0.18 to \$20.10 and 0.18 to \$20.10.

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## STERLING WEAKER

Sterling fell sharply in the foreign exchange market yesterday afternoon, with an order to sell sterling in New York having a marked effect in extremely thin trading.

After the selling had been absorbed, the rate continued to fall, with New York dealers marking the pound down and quoting very wide dealing spreads in an almost complete lack of business.

When the rate was tested again fairly quickly, and it was suggested in the market that the Bank of England may have taken advantage of the low level of trading to push the pound up, at the close.

Some selling of sterling was reported earlier in the day, with a switching of oil payments into other currencies suggested as a reason for the pound's initial fall.

It opened at \$1.922-1.923, before falling to \$1.917-1.918, and then to \$1.912-1.913, before the early afternoon, sterling touched a worst level of \$1.903-1.904, and at the close was still quoted on a very wide spread of \$1.903-1.904, a fall of 1.33 cents on the day.

The pound's trade-weighted average depreciation against 18 currencies since the Washington Currency Agreement, as calculated by the Bank of England, widened to 38.4 per cent, from 35 per cent, at noon and 38 per cent, in early dealings.

The sterling depreciation against 14 currencies as calculated by Morgan Guaranty of New York widened to 30.20 per cent, from 29.10 per cent, while the dollar's

trade-weighted depreciation, on the same basis, narrowed to 2.10 per cent, from 2.14 per cent.

Gold closed unchanged at \$122.10, and the Kruggerand premium over its gold content, which is 0.4 per cent, for domestic and international delivery.

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## STOCK EXCHANGE REPORT

# Equities move narrowly in thin trading conditions

## Index 0.7 off at 387.3, after 385.1—Properties up again

Account Dealing Dates  
Option  
First Declared Last Account  
Dealing Date Dealings Day  
Jun. 28 July 8 July 9 July 20  
July 12 July 22 July 23 Aug. 3  
July 28 Aug. 6 Aug. 17  
\* New time "dealings may take place from 9.30 a.m. to business days earlier."

Despite the agreement reached by the Government, CBI and others on future growth strategy and the favourable predictions by the Treasury of North Sea Oil on the balance of payments, equity markets gave a little further ground yesterday after trading within narrow limits.

Leading industrials opened a little harder, but lack of follow-through support and the occasional drift downwards. Final quotations, however, were only a shade easier on balance following a small demand which developed in the late afternoon. This was reflected in the FT 30-share index which after touching its lowest of the day at 1 p.m. with a fall of 2.9, closed only a net up of 0.7 at 387.3. British Funds closed a better at the longer end of the market after a quiet day's trade and the Government Securities index hardened 0.5 to 227.3.

Elsewhere Property shares continued to claim a fair measure of support with the help of the sale by Berkeley Hambro of one of its properties for around £10.4m. The FT-Actuaries index for the sub-section put 0.3 per cent. more to 169.5. However, individual features were few and far between and the overall trend was to slightly lower levels. Falls led rises by 3-4 in FT-quoted industrials.

## Funds steadier

British Funds were uneven but generally showed a disposition to resist any extension of the previous day's reaction, this occurring despite the easiness in the

pound and a reputation of the tight money conditions in money markets. Business at the medium and longer end was extremely slow after the first hour of trading, but quotations held fractional improvements of 1, while the shorts fluctuated narrowly before closing a shade mixed. A small feature was buying of Treasury 3½ per cent. 1979/81, which gained ½ to 84½.

The former underlying trend in the investment currency market was assisted by sterling's reaction and, after a moderate two-way business, the premium improved to 112½ per cent. Yesterday's SE conversion factor was 0.6755 (0.6804).

## Banks harder

The big four Banks edged higher in thin trading. Barclays closed ½ in the good at 278½, after 274½, while Lloyds hardened 2½ to 227½. Midland held steady at 225½. Overseas issues were also included harder with Australia and New Zealand 5 better at 487½ and Bank of New South Wales similarly deared at 385½. Looking for a little more support, the probable stock market debut on July 19, Hambros gained 3 to 195½. Leopold Joseph added 5 to 150½ in a thin market.

Small sporadic buying orders, venture into higher ground. Commercial Union put on 2 to 120½ as did Phoenix to 208½, and Sub King contrasted with a gain of 3 to 169½. However, the trend and eased that much to 120½. C. K. Heath were erratic among brokers, drifting down to 408½ before rising late to finish ½ up on the day at 410½.

Press comment on the results brought about a reaction of 3 to 38½ in Scottish and Newcastle among Breweries, where Greene King contrasted with a gain of 3 to 160½ on the higher preliminary profits. Elsewhere, Distillers re-

mained unsettled by a bearish broker's circular and touched a low of 137½ before picking up to close unchanged on the day at 138½; the results are due next Thursday. Glenlivet on the other hand, were wanted at 180½, up 6, and Teacher (Distillers) hardened 2 to 234½.

Redland hardened 2 to 88½ on the preliminary figures, while W. and J. Gossop, 47½, and L. Fairclough, 171½, put on 3 apiece. Feb international issues improved. The ordinary closing a penny harder at 151½ and the "A"

Stores moved narrowly and closed little changed on the day at 51½, while IDS, 72½, and House of Fraser, 79½, each a penny

after 100½. Having been marked down to 50½ in an effort to establish a trading level, Audiotronics attracted interest and rallied to close 2 easier on balance at 53½. Bakers Household Stores reacted 3 to 27½ on further consideration of the interim report, while small selling lowered Ellis and Goldstein by 1 to 181½. Wades Departmental contrasted with a loss of 1 to 6 to 30½ on small buying in a thin market. Mail Orders continued firm, Empire Stores rising a penny to 87½ and Freeman's (Londons) improving 3 to 135½.

There was again only a small interest shown in leading Electricals, which closed little changed after narrow fluctuations. The Electricals however, managed an improvement of 4 at 232½ awaiting next Wednesday's annual results, while Philips Lamp were modestly firm spot at 232½, up 12. GEC closed a penny better at 158½, after 156½, while EMI contrasted with a loss of 2 to 251½. Elsewhere, Decca issues finally 3 down to 408½, after 408½ and 388½. Elsewhere, AD International were noteworthy for a rise of 5 to 97½, reflecting revived speculation on the possibility of a forthcoming offer from Denisy International. Esperanza moved ahead 8 to 112½ on "new-time" buying in a thin market, while other gains worthy of mention took in Refrigration of up 4 to 74½, and Hays Wharf, 4 firm at 68½. Favourable Press comment lifted LRC International 1 to 42½, while Christie-Tyler, ahead of next Monday's results, closed 4 better at 82½. In easier vein were National Car-housing, 3 down at 23½, and Allied Investments, 2 cheaper at 24½.

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## AUTHORISED UNIT TRUSTS

[illegible]

## INSURANCE, PROPERTY, BONDS

[illegible]

## GOOD PRICE MOVEMENTS

	July 8	Week ago	Month ago
	£	£	£
<b>ON</b>			
Danish A.1 per tonf .....	870	870	910
British A.1 per tonf .....	850	850	880
Polish Special per tonf .....	850	850	870
Polish A.1 per tonf .....	850	850	870
<b>STER (packet)</b>			
£Z per 50 lbsf .....	934-932	934-932	920-936
£Z per per cwt .....	49.84-51.40	49.84	51.85
English salted per cwt .....	53.30-55.33	53.30-55.30	53.30-55.33
<b>ESM</b>			
English cheddar rindless			
per tonne .....	950.79	950.79	950.79
£Z per tonne .....	572.5	572.5	572.5
<b>S</b>			
Home-prod. Standard	2.00-2.20	2.25-2.55	3.00-3.40
Large .....	2.40-2.70	2.70-3.00	2.70-2.90
	July 8	Week ago	Month ago
	per pound	per pound	per pound
<b>Scottish killed sides</b>			
(ex KKCF) .....	39.0-43.0	40.0-44.0	42.0-46.0
Fire forspareurs .....	28.0-29.0	25.0-28.0	30.0-32.0
<b>Argentine chilled rump</b>			
<b>B</b>			
English			
£Z P.L.F.F.s	33.0-33.0	33.0-33.0	37.0-40.0
(all weights) .....	24.0-33.0	24.0-34.0	27.5-37.0
<b>TON</b>			
English ewes	17.0-20.0	18.0-20.0	18.0-22.0
<b>TRY</b>			
Proiler chickens	28.5-29.0	28.0-29.0	35.0-37.0
<b>London Egg Exchange</b>			
price per 120 eggs .....			† Delivered.
delivery July 10-17.			

<b>Westminster Assur. Soc. v</b> 10, Abchurch Lane, London, E.C. 4 01-499 0031	<b>Hambro Life Assurance Limited v</b> 7 Old Park Lane, London, W1 01-499 0031	<b>Lloyds Ek. Unit Tr. Mgrs. Ltd.</b> 71 Lombard St., E.C. 3 01-623 1286	<b>Prop. Equity &amp; Life Ass. Co. v</b> 10, Abchurch Lane, London, E.C. 4 01-499 0031	<b>Scot. Widows' Fnd. &amp; Life Ass.</b> 10, Abchurch Lane, London, E.C. 4 01-499 0031
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<b>Abbey Life Assurance Co. Ltd.</b> 11, Abchurch Lane, E.C. 4 Equity Fund £250,000 Property Fund £250,000 Life Assurance £250,000 General Insurance £250,000 Fire Insurance £250,000 Marine Insurance £250,000 Motor Insurance £250,000 Aircraft Insurance £250,000 War Risks £250,000 Conversion Fund £250,000 Pension Schemes £250,000 Life Insurance £250,000 General Insurance £250,000 Fire Insurance £250,000 Marine Insurance £250,000 Motor Insurance £250,000 Aircraft Insurance £250,000 War Risks £250,000	<b>The City of Westminster Assur. Soc. v.</b> Registered Office: 25 Whitehall, London, W.C. 2 Paid Up Capital £250,000 Reserve Fund £250,000 Profit & Loss £250,000 General Insurance £250,000 Fire Insurance £250,000 Marine Insurance £250,000 Motor Insurance £250,000 Aircraft Insurance £250,000 War Risks £250,000	<b>Hambro Life Assurance Limited</b> 7 Old Park Lane, London, W.1 Office Tel. 01-235 0000 Paid Up Capital £250,000 Reserve Fund £250,000 Profit & Loss £250,000 General Insurance £250,000 Fire Insurance £250,000 Marine Insurance £250,000 Motor Insurance £250,000 Aircraft Insurance £250,000 War Risks £250,000	<b>Lloyds &amp; Co. Unit Tr. Mgrs. Ltd.</b> 15, Lombard Street, London, E.C. 3 Example: £5.4 9.4 1.37 <b>Lloyds Life Assurance</b> 15, Lombard Street, London, E.C. 3 Paid Up Capital £250,000 Reserve Fund £250,000 Profit & Loss £250,000 General Insurance £250,000 Fire Insurance £250,000 Marine Insurance £250,000 Motor Insurance £250,000 Aircraft Insurance £250,000 War Risks £250,000	<b>Prop. Equity &amp; Life Ass. Co. v.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Property Group Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Property Fund (A.I.)</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Property Fund (B.I.)</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Scot. Widows' Fund &amp; Life A.</b> P.O. Box 262, Edinburgh, EH1 6AB Example: £5.4 9.4 1.37 <b>Slater Walker Insurance Co.</b> 20 Whitehall Road, W.12 2AS Example: £5.4 9.4 1.37 <b>Scot. Alliance Fund Mangmt.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37
<b>Albany Life Assurance Co. Ltd.</b> 31, Old Burlington St., W.1 Example: £5.4 9.4 1.37 <b>Albion Life Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Alfred Life Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Alfred Life Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Commercial Union Group</b> St. Helen's 1, Underberg, E.C. 3 Example: £5.4 9.4 1.37 <b>Confederation Life Insurance Co.</b> 12, St. John's Way, W.12 2AS Example: £5.4 9.4 1.37 <b>Continental Life Assurance Co.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Imperial Life Ass. Co. of Canada</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>The Individual Life Ins. Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Irish Life Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>M &amp; G Group</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Magnus Assurance Company Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Merchant Investors Assurance</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Prudential Pensions Limited</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Reliance Mutual</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Royal Insurance Group</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Tyndall Group</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Windsor Life Assur. Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37
<b>AMEV Life Assurance Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Alma Life Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Alma Life Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Corinthian Insurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Credit &amp; Commerce Insurance</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Creosote Life Ass. Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Irish Life Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>King &amp; Shanks Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Langham Life Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>New Court Property Fund Mgrs. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>NPFI Pension Management Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Norwich Union Insurance Group</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Sure &amp; Prosper Group</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Swedish Life Assurance</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Swedish Life Assurance</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Welfare Insurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Welfare Insurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37
<b>Canada Life Assurance Co.</b> 24 High St., Portman Bk., W.1 Example: £5.4 9.4 1.37 <b>Camden Assurance Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Bechtel Life Assur. Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Bechtel Life Assur. Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>Crusader Insurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Eagle Star Insurance/Midland Ass.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>General Portfolio Life Ins. Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37	<b>King &amp; Shanks Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Langham Life Assurance Co. Ltd.</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37 <b>Life Assur. Co. of Pennsylvania</b> 11, Crawford Street, W.12 2AS Example: £5.4 9.4 1.37			

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38 allow for all buying expenses a Offer-  
 include all expenses. b Today's  
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 g Today's opening price. h Distribut-  
 14 of E.K. taxes. i Offered price includ-  
 expenses except agent's comm-  
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HOTELS—Continued

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

INDUSTRIALS (Misc)

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## ENGINEERING—Continued

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## ELECTRICAL AND RADIO

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## BUILDING INDUSTRY—Continued

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## BANKS AND HIRE PURCHASE

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## BRITISH FUNDS

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## CHEMICALS, PLASTICS

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## CINEMAS, THEATRES AND TV

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## FOOD, GROCERIES, ETC.

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## BEERS, WINES AND SPIRITS

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## FOREIGN BONDS &amp; RAILS

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## AMERICANS

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

## HOTELS AND CATERING

High	Low	Stock	Price	%	Div	Yield
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10
100	98	Grand Hotel	100	0	10	10

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